

**303rd MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
Hawthorn Bank, Hawthorn Room
3600 Amazonas Drive
Jefferson City, Missouri
February 7, 2013
9:00 a.m.**

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 302nd Meeting of the Authority Held December 5, 2012, in Jefferson City, Missouri
3. State Revolving Fund Program
 - Update
 - Other
4. Other Financings
 - Raytown Water Update
5. Missouri Market Development Program
 - Update
 - MORA Conference Funding Request
6. Brownfields Revolving Loan Fund
 - Update
7. Other Business
 - Review of FY13 Second Quarter Financials and Potential Budget Modification
 - Consideration and Approval of Strategic Plan
 - Opportunity for Public Comment
(Limit of Four Minutes per Individual)
 - Other

8. Closed Meeting Pursuant to Section 610.021(1),(3) and (11) (as needed)
9. Adjournment of Closed Meeting and Return to Open Meeting
10. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (3) or (11) RSMo.

Members to be Present:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
LaRee DeFreece, Secretary
Deron Cherry, Treasurer

Staff to be Present:

Karen Massey, Director
Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

Beverly A. Marcin
Lewis, Rice & Fingersh, L.C.

EIERA

MEMORANDUM

ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(573) 751-4919 + (573) 526-5555 + (573) 635-3486 Fax

DATE: January 24, 2012

TO: Members of the Authority

FROM: Kristin Allan Tipton **SUBJECT: MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE**

The Missouri Market Development Program Steering Committee has met one time since the last meeting of the Authority. At this meeting, one financial assistance application was considered.

Financial Assistance Applications

Lake Area Industries, Inc. (Camdenton) requested \$20,714.25 to purchase an Expanded Polystyrene (ESP) densifier costing \$27,620 to provide foam recycling in the Lake of the Ozarks area. Lake Area Industries (LAI) is a sheltered workshop that has operated for thirty years and currently employs fifty-five people with disabilities. This project proposes to recover the vast amounts of Styrofoam that remain in nuisance dumpsites throughout the Lake area since the 2008 decision by Ameren UE to require all boat dock foam to be converted to encapsulated floats. LAI has already identified over 16,000 cubic yards of foam for immediate processing and has the support of local dock companies, waste haulers, and the local solid waste management district. Lake Area Industries anticipates diverting a minimum of two-hundred tons from the waste stream annually and creating two new full time jobs with this project. The Steering Committee recommends funding this project in the amount of \$20,715, not to exceed 75% of the cost of the equipment.

Thank you.

KT:ge

EIERA MEMORANDUM

ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(573) 751-4919 + (573) 526-5555 + (573) 635-3486 Fax

DATE: January 24, 2013

TO: Members of the Authority

FROM: Kristin Allan Tipton 

**SUBJECT: MISSOURI MARKET DEVELOPMENT PROGRAM MORA CONFERENCE
FUNDING REQUEST**

The 2013 Missouri Recycling Association Annual Conference will be in Jefferson City, September 16 -18. Staff is actively involved in helping to shape the conference agenda around a theme of "Recycling Means Business!" This year's conference will have a special emphasis on end markets and their economic impact.

Staff is requesting approval to cover the cost of a keynote speaker for this event. The conference planning committee is very interested in bringing in Dr. Neal Seldman from the Institute of Local Self Reliance, Washington, D.C. Dr. Seldman has been deeply involved in the Institute's vast array of work in the area of recycling as an economic development tool, particularly its Waste to Wealth program that helps communities across the country create policies and practices that address citizens' environmental concerns and economic needs. Dr. Seldman was very well received at two of the regional "material fairs" we conducted this past year with many attendees commenting that it would be good to bring his messages to a wider audience.

Dr. Seldman's speaking fee is \$2,500 plus travel expenses. Staff is requesting approval for up to \$3,500 to cover the cost of a keynote speaker for the conference to be drawn from the Business Initiatives budget category which was \$200,000 for FY2012. To date, we have applied \$25,000 of this budget category towards the Midwest Materials Exchange project.

Thank you.

KT:ge

EIERA

MEMORANDUM

ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(573) 751-4919 + (573) 526-5555 + (573) 635-3486 Fax

DATE: January 23, 2013

TO: Members of the Authority

FROM: Kristin Allan Tipton **SUBJECT: MISSOURI BROWNFIELDS REVOLVING LOAN FUND UPDATE**

Staff is currently working with projects that have participated in the St. Louis and Kansas City RLF programs but need additional funds to complete remediation prior to building demolition. Both projects would result in property that is ready for planned redevelopment.

Update on Active Project Schedules

- The RAP for the former ACME Battery Plant cleanup with Remains, Inc. is complete and has been submitted to MoDNR for approval.
- The ABCA for the project with the Lake Ozark Council of Local Governments is currently being prepared.
- SMI SNF Landlord, LLC continues to repay its loan as scheduled.
- A "no further action" letter and final report have been received for the City of Springfield project.
- Long term groundwater monitoring continues at the City of Russellville site.
- Long term groundwater monitoring continues at the Ranken Technical College site.
- A closeout report has been submitted to MoDNR for the City of Chillicothe project and we are waiting for the "no further action" letter.

Thank you.

KT:ge

**304th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**March 21, 2013
10:00 a.m.**

**Drury Plaza Hotel Chesterfield
Monarch Room
355 Chesterfield Center East
Chesterfield, Missouri**

1. Call to Order

Presentation of Service Award
2. Approval of Minutes
 - Approval of Minutes from the Strategic and Business Planning Session Held December 4, 2012, in Jefferson City, Missouri
 - Approval of Minutes from the 303rd Meeting of the Authority Held February 7, 2013, in Jefferson City, Missouri
3. State Revolving Fund Program
 - Update
 - Other
4. Other Financings
 - Consideration and Adoption of Resolution of the State Environmental Improvement and Energy Resources Authority of the State of Missouri Authorizing the Execution and Delivery of a Second Supplemental Indenture of Trust, Which Supplements and Amends the Amended and Restated Indenture of Trust, as Previously Amended and Supplemented, Relating to the Environmental Improvement Revenue Refunding Bonds (Kansas City Power & Light Company Project) Series 1992; and Other Related Matters Pertaining to Said Second Supplemental Indenture and Bonds
 - Other
5. Missouri Market Development Program
 - Update
 - Consideration and Approval of the Funding Recommendation for the Ciona Technologies, LLC Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - Other

6. Brownfields Revolving Loan Fund

- Update
- Consideration and Approval of the Funding Recommendation for the Ivanhome Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
- Consideration and Approval of the Funding Recommendation for the Land Reutilization Authority of the City of St. Louis Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
- Other

7. Other Business

- Next Meeting Date
- Opportunity for Public Comment (Limit of Four Minutes per Individual)
- Other

8. Closed Meeting Pursuant to Section 610.021(1),(3) and (11) (as needed)

9. Adjournment of Closed Meeting and Return to Open Meeting

10. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (3) or (11) RSMo.

Members to be Present:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
LaRee DeFreece, Secretary
Deron Cherry, Treasurer

Staff to be Present:

Karen Massey, Director
Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

Beverly A. Marcin
Lewis, Rice & Fingersh, L.C.

State Environmental Improvement and Energy Resources Authority
304th Board Meeting
March 21, 2013

Agenda Item #4

OTHER FINANCINGS: KANSAS CITY POWER AND LIGHT COMPANY

Issue:

Kansas City Power & Light Company (KCPL) is designating a new long-term interest rate on \$31,000,000 Environmental Improvement Revenue Refunding Bonds Series 1992. They are also removing the bond insurer from the Indenture. This requires the execution of a Second Supplemental Indenture of Trust relating to the Series 1992 bonds.

Action Needed:

Consideration of the attached Resolution (Attachment A) authorizing a Second Supplemental Indenture of Trust (Attachment B) related to KCPL \$31,000,000 Revenue Refunding Bonds Series 1992.

Staff Recommendation:

Staff recommends adoption/approval of the Resolution authorizing the Second Supplemental Indenture of Trust.

Staff Contact:

Joe Boland, Deputy Director

Background:

In 1978, the Kansas City Power & Light Company, issued \$21,800,000 and \$9,200,000 in Revenue Bonds for their Iatan and Hawthorn projects, respectively. In 1992, KCPL issued \$31,000,000 in Environmental Improvement Revenue Refunding Bonds to refund the 1978 bonds. In 2004, the Indenture was amended and restated. Finally, in 2008 the First Supplemental Indenture of Trust was executed to incorporate new provisions relating the purchase of bonds subject to mandatory tender at the end of a long-term interest period.

KCPL is currently looking to remarket the \$31,000,000 Series 1992 bonds to take advantage of the market's low interest rates. Also, the Second Supplemental Indenture of Trust is necessary to remove provisions related to the bond insurer. The Policy Cancellation Agreement for the bond insurer is attached (Attachment C). The bond insurer is considered no longer necessary since they add little or no credit enhancement. The bonds are rated on the stand alone credit of the underlying borrower.

KCPL will have a representative at the meeting to answer any further questions.

JB:ge

Attachment

Attachment "A"

RESOLUTION OF THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE OF TRUST, WHICH SUPPLEMENTS AND AMENDS THE AMENDED AND RESTATED INDENTURE OF TRUST, AS PREVIOUSLY AMENDED AND SUPPLEMENTED, RELATING TO THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY OF THE STATE OF MISSOURI ENVIRONMENTAL IMPROVEMENT REVENUE REFUNDING BONDS (KANSAS CITY POWER & LIGHT COMPANY PROJECT) SERIES 1992; AUTHORIZING THE EXECUTION AND DELIVERY OF A POLICY CANCELLATION AGREEMENT; AND OTHER RELATED MATTERS PERTAINING TO SAID SECOND SUPPLEMENTAL INDENTURE AND BONDS.

WHEREAS, the State Environmental Improvement and Energy Resources Authority (the "*Issuer*") has previously issued its Environmental Improvement Revenue Refunding Bonds (Kansas City Power & Light Company Project) Series 1992 (the "*Bonds*") pursuant to an Indenture of Trust, dated as of September 1, 1992 (the "*Original Indenture*"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "*Trustee*"); and

WHEREAS, the Issuer and The Bank of New York Mellon Trust Company, N.A., as successor trustee, thereafter executed and delivered an Amended and Restated Indenture of Trust dated as of August 1, 2004, amending and restating the Original Indenture (the "*Amended Indenture*"), which was amended and supplemented by the First Supplemental Indenture of Trust dated as of February 29, 2008 (collectively, the "*Indenture*"); and

WHEREAS, Kansas City Power & Light Company (the "*Company*") desires to amend certain provisions of the Indenture in order to terminate the Bond Insurance Policy of Syncora Guarantee Inc., formerly XL Capital Assurance Inc.; and

WHEREAS, the Second Supplemental Indenture of Trust (the "*Second Supplemental Indenture*"), between the Issuer and the Trustee, including a form of Policy Cancellation Agreement attached thereto as Schedule I (the "*Policy Cancellation Agreement*"), in substantially final form has been presented to and is before this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, AS FOLLOWS:

Section 1. The form, terms and provisions of the Second Supplemental Indenture and the Policy Cancellation Agreement in substantially the forms submitted to this meeting are hereby approved, and the Chairman and the Vice Chairman are hereby authorized and directed to execute and deliver the Second Supplemental Indenture and the Policy Cancellation Agreement with such changes therein as shall be approved by such officers, the execution of such documents

by such officers to constitute conclusive evidence of such approval, and the Secretary, Assistant Secretary and Vice Chairman are hereby authorized and directed to attest to and affix to the Second Supplemental Indenture the official seal of the Issuer.

Section 2. The Chairman, Vice Chairman, Secretary and Assistant Secretary are hereby empowered and directed to execute, acknowledge and deliver all documents and other instruments which may be required from time to time under the terms of the Second Supplemental Indenture, the Policy Cancellation Agreement and this Resolution, including but not limited to amended Bonds or a certificate authorizing a notation on the Bonds.

Section 3. The execution and delivery of the Second Supplemental Indenture by the Chairman or Vice Chairman and the attestation of the same by the Secretary, Assistant Secretary or Vice Chairman as authorized in Section 1 above are expressly conditioned upon the following:

a. The consent to the Second Supplemental Indenture must be obtained from all necessary parties thereto; and

b. Bond Counsel (as defined in the Indenture) must opine that such amendments are authorized by, and in accordance with, the Indenture and will not adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes.

Section 4. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall be for any reason declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 5. This Resolution will take effect as of the date adopted by the Issuer and all resolutions in conflict herewith are repealed to the extent of the conflict.

Adopted by the State Environmental Improvement and Energy Resources Authority this 21st day of March, 2013.

By: _____
Chairman

[SEAL]

ATTEST:

By: _____
Secretary

State Environmental Improvement and Energy Resources Authority
304th Board Meeting
March 21, 2013

Agenda Item #5
MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE

Issue:

Ciona Technologies, LLC, located in Springfield, requested \$250,000 to purchase custom built equipment costing \$723,000 that would enable the company to increase the recovery and remanufacturing of damaged and non-functional electronic devices used in construction and farming.

Action Needed:

Consideration of the funding recommendation for the Ciona Technologies, LLC project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$250,000, not to exceed 50% of the cost of the equipment, and authorizing the director or her designee to enter into an agreement on behalf of the Authority.

Staff Contact:

Kristin Tipton, Development Director

Background:

Ciona Technologies, LLC, located in Springfield, requested \$250,000 to purchase custom built equipment costing \$723,000 that would enable the company to increase the recovery and remanufacturing of damaged and non-functional electronic devices used in construction and farming. These devices include LCD touchscreen displays, electronic gauge/instrument clusters, and engine control modules, among others. The remanufacturing process matches the same customer requirements as used with manufacturing a new device so that failed parts normally disposed of in a landfill can be returned to the customer for resale. This project would enable the Ciona Technologies to add thirty-six new part numbers/products to its current product line. While some similar remanufacturing is occurring in the automotive industry, Ciona is the first major remanufacturer of ruggedized electronics devices for the agriculture and construction industries. The company is working with both John Deere and Case New Holland to remanufacture products that would otherwise be sent to a landfill. Ciona Technologies anticipates diverting a minimum of 53 tons from the waste stream annually and creating sixteen to eighteen new full time jobs with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommend funding this project in the amount of \$250,000, not to exceed 50% of the cost of the equipment.

For Fiscal Year 2013, the Missouri Market Development Program budget includes \$1,088,085 for direct financial assistance projects. Should the project with Ciona Technologies be approved, it would leave a balance of \$542,335 in this category.

KT:ge

State Environmental Improvement and Energy Resources Authority
304th Board Meeting
March 21, 2013

Agenda Item #6A
MISSOURI BROWNFIELDS REVOLVING LOAN FUND UPDATE

Issue:

Update on activities of the MBRLF since the last meeting of the Authority.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Kristin Tipton, Development Director

Background:

Two subgrant applications have been reviewed and are presented at this meeting. If these applications are approved, the MBRLF would have a balance of approximately \$70,000 in petroleum funds and approximately \$120,000 in hazardous substance funds. Because staff anticipates the possibility of requests for additional petroleum subgrant and additional hazardous substance loan requests to complete current projects, marketing of the program will be reduced until it is known whether supplemental funding can be obtained. Unexpected costs of finalizing a remediation action plan and improvements to the proposed cleanup process at the former ACME Battery site will lead to higher cleanup costs. Staff believes it is a strong possibility that Remains, Inc. will request that the amount of its loan with the MBRLF be increased. Also, while ongoing sampling at the Russellville petroleum site is trending toward positive results, the number and type of unknowns at this site provide plenty of opportunity for additional work to be required. While the Russellville project is funded through a subgrant, the community will have access to few other resources than this program to complete additional work if it is required. At this time, there has been no word from EPA as to whether an opportunity to apply for additional funding will be available.

Update on Active Project Schedules

- Staff is working with MoDNR BVCP to obtain approval on the Remediation Action Plan for the former ACME Battery Plant cleanup project with Remains, Inc. Once approved by MoDNR, bids for the project will go out.
- The Analysis of Brownfield Cleanup Alternatives has been completed for the project

with the Lake of the Ozarks Council of Local Governments project and a public meeting has been scheduled.

- SMI SNF Landlord, LLC continues to repay its loan as scheduled.
- Long term groundwater monitoring continues at the City of Russellville site. Results of this monitoring should be available in the summer of 2013.
- Long term groundwater monitoring continues at the Ranken Technical College site. Results of this monitoring should be available in the summer of 2013.
- A "Certificate of Completion" has been issued by MoDNR for the City of Springfield project.
- A closeout report has been submitted to MoDNR for the City of Chillicothe project and we are waiting for the "no further action" letter.
- The Authority received a formal closeout notice from the EPA for the ARRA grant received and completed by the MBRLF.

KT:ge

State Environmental Improvement and Energy Resources Authority
304th Board Meeting
March 21, 2013

Agenda Item #6B
BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION OF THE IVANHOME PROJECT

Issue:

Ivanhome, a Missouri nonprofit and public benefit corporation, has submitted a hazardous substance application to the MBRLF, requesting \$100,000 to complete remediation at the Horace Mann School, 2008 E. 39th Street, Kansas City, Missouri.

Action Needed:

Consideration of the funding recommendation for this project and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

Staff Recommendation:

Staff recommends that the Board approve a subgrant of up to \$100,000 for this project.

Staff Contact:

Kristin Tipton, Development Director

Background:

The applicant, Ivanhome, is a newly formed Missouri nonprofit and public benefit corporation established to remediate and redevelop blighted properties and reversing residential and commercial decay and deterioration in the Ivanhoe neighborhood (31st Street to Emanuel Cleaver II Boulevard, and The Paseo to Prospect Avenue, Kansas City, Missouri). Ivanhome's parent organization is the Ivanhoe Neighborhood Council, Inc.

Ivanhome plans to redevelop the Horace Mann School neighborhood in four phases, the first of which will include low-income senior housing at 38th and Euclid (on the same block as the school building) and will include the construction of duplexes, cottages and renovation of existing vacant houses. The property on which the Horace Mann School presently sits will be developed in the final phase and will include mixed use buildings as well as green space for community gardens. Ivanhome has already received \$911,000 from the City of Kansas City, \$535,000 from the District Council, and various federal and private grants for different redevelopment components of this total project.

The proposed project property is approximately 1.61 acres and is occupied by one four-story (including basement) approximately 70,000 square foot former school building constructed circa 1892 and expanded in 1921. The applicant previously received and expended a hazardous substance Brownfields Revolving Loan Fund grant from the City of Kansas City and

the site has been enrolled in the MoDNR BVCP. A fire on December 2, 2011, destroyed the roof and damaged the third floor and west wing of the building. The structure contains loose and flaking lead-based paint and a limited area of asbestos roofing tar that must be removed prior to demolition. This subgrant would enable the continuation of the ongoing cleanup and would ready the building for demolition so that the property can be redeveloped.

Because this project would be a continuation of an existing project already implemented by the Kansas City Revolving Loan Fund, a Remediation Action Plan has already been approved by MoDNR BVCP and bids have been received for the work. It is not anticipated that the cleanup will exceed the amount of funds requested.

Staff, with input from the Department of Natural Resources, reviewed the application and found the applicant and site to meet all eligibility criteria for the program. Site and applicant eligibility have not yet been confirmed by EPA, though the EPA has strongly encouraged our support for the project.

The MBRLF Review Team, consisting of staff from MoDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program and the Authority, reviewed the application and recommends that the Board approve a subgrant of up to \$100,000 for this project.

KT:ge

State Environmental Improvement and Energy Resources Authority
304th Board Meeting
March 21, 2013

Agenda Item #6C
BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION OF THE LAND REUTILIZATION AUTHORITY OF THE CITY OF ST. LOUIS PROJECT

Issue:

The Land Reutilization Authority of the City of St. Louis has submitted a hazardous substance application to the MBRLF, requesting \$95,000 to complete remediation at the Wittenberg Warehouse, 1418 Wittenberg Avenue, St. Louis, Missouri.

Action Needed:

Consideration of the funding recommendation for this project and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

Staff Recommendation:

Staff recommends that the Board approve a subgrant of up to \$95,000 for this project.

Staff Contact:

Kristin Tipton, Development Director

Background:

The Land Reutilization Authority of the City of St. Louis is a public corporation acting in a government capacity and currently operating a Brownfields Revolving Loan Fund. The Land Reutilization Authority acquired the property in 2005 as part of a tax foreclosure suit.

The proposed project property is part of a larger, multiple parcel site known as the former Porter Oil site, which was used for bulk petroleum storage and the treatment of hazardous wastes. The Wittenberg Warehouse and surrounding properties are both a physical blight to the neighborhood and an environmental hazard to anyone who enters the site. The Land Reutilization Authority of the City of St. Louis previously received and expended an EPA petroleum Brownfields grant on the site, primarily to remove underground and above ground storage tanks. This cleanup has resulted in the receipt of a No Further Action letter from the MoDNR Tanks Section. The site has also been enrolled in the MoDNR BVCP to address non-petroleum hazardous substance issues on the site. Among these is the collection of storm water in the basement of the warehouse building, which has become contaminated with waste oil that has been dumped by unknown individuals. This subgrant would enable a continuation of the ongoing cleanup and would ready the warehouse for demolition so that the property can be redeveloped for commercial/industrial reuse. The Land Reutilization Authority of the City of St. Louis has secured funding to demolish the building, but does not have sufficient funds to cover the oily water disposal fee, which is estimated to be \$95,000.

Because the Land Reutilization Authority of the City of St. Louis has removed similar contamination from the site previously, the cost estimate is believed to be sound and it is not anticipated that the cleanup will exceed the amount requested.

Staff, with input from the Department of Natural Resources, reviewed the application and found the applicant and site to meet all eligibility criteria for the program. Site and applicant eligibility have not yet been confirmed by the EPA, but the EPA has encouraged our support of this project.

The MBRLF Review Team, consisting of staff from MoDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program and the Authority, reviewed the application and recommends that the Board approve a petroleum (this project could be included in either category) subgrant of up to \$95,000 for this project.

KT:ge

**305th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
Jefferson City Office
325 Jefferson Street
Jefferson City, Missouri**

**May 10, 2013
1:30 p.m.
Telephone Conference
(866) 906-9888
Access Code 1703606#**

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 304th Meeting of the Authority Held March 21, 2013, in Chesterfield, Missouri
3. State Revolving Fund Program
 - Consideration and Approval of Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Enter into Supplemental Indentures with Respect to the State Revolving Funds Programs Series 2000A, Series 2010A and Series 2011A and Amendments to the Series 2010A and Series 2011A Federal Tax Certificates; and Authorizing the Authority to Take Certain Other Actions in Connection with the Supplemental Indentures and Amendments
4. Other Business
 - Selection of Firm to Provide Auditing Services
 - Update on Personnel Assigned to the Authority by Other Service Providers
 - Opportunity for Public Comment (Limit of Four Minutes per Individual)
5. Closed Meeting Pursuant to Section 610.021(1), (2), (3) and (11) (as needed)
6. Adjournment of Closed Meeting and Return to Open Meeting
7. Adjournment of Open Meeting

305th Authority Meeting

May 10, 2013

Page 2

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate matters, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (2), (3) or (11) RSMo.

Members to be Present:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
LaRee DeFreece, Secretary
Deron Cherry, Treasurer

Staff to be Present:

Karen Massey, Director
Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

Beverly A. Marcin
Lewis, Rice & Fingersh, L.C.

State Environmental Improvement and Energy Resources Authority
305th Board Meeting
May 10, 2013

Agenda Item #3

**STATE REVOLVING FUND PROGRAM: SUPPLEMENTAL INDENTURES AND AMENDED TAX
CERTIFICATE FOR EIERA SERIES 2000 AND 2010 BONDS**

Issue:

Kimberling City is exercising its option to redeem their bonds from a Series 2000 State Revolving Fund (SRF) pooled transaction. Supplemental indentures and an amended tax certificate will be required since portions of these bonds were already refunded through a 2010A refunding transaction.

Action Needed:

Consideration of the attached Resolution (Attachment A) authorizing the Authority to enter into Supplemental Indentures and an Amended Tax Certificate related to the SRF Series 2000, and Series 2010A bonds.

Staff recommendation:

Staff recommends adoption/approval of the Resolution authorizing the Supplemental Indentures and an Amended Tax Certificate related to SRF Series 2000 and Series 2010A bonds.

Staff Contact:

Joe Boland, Deputy Director

Background:

In April of 2000, the Authority issued \$52,640,000 in bonds for 14 borrowers in the SRF program. Kimberling City was one of the participants that accounted for \$5,010,000 of those bonds.

The Authority refunded portions of the Series 2000 bonds through a refunding transaction in 2010. The savings derived by refunding the bonds was put back into the SRF program to recapitalize the loan fund. Since portions of the Series 2000 bonds have already been refunded, there are tax consequences for any of the remaining Series 2000 bonds, including those allocated to Kimberling City. Consequently, the indentures for each of the affected series (2000 and 2010) must be amended and the tax certificate for the Series 2010 must be amended to allow Kimberling City to redeem their remaining bonds.

JB:ge

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ENTER INTO SUPPLEMENTAL INDENTURES WITH RESPECT TO THE STATE REVOLVING FUNDS PROGRAMS SERIES 2000A AND SERIES 2010A AND AMENDMENT OF THE SERIES 2010A FEDERAL TAX CERTIFICATE, AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE SUPPLEMENTAL INDENTURES AND FEDERAL TAX CERTIFICATE AMENDMENT

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects, and to refund its outstanding revenue bonds in whole or in part; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988, September 22, 1998 and July 31, 2009, the Authority has approved the development and implementation of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "Clean Water SRF Program") and the Missouri Leveraged State Drinking Water Revolving Fund Program (the "Drinking Water SRF Program" and, collectively with the Clean Water SRF Program, the "SRF Programs") and has stated its intent to issue its bonds or notes to finance projects pursuant to the SRF Programs, said bonds or notes to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, the Authority has issued its Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2010A (the "Series 2010A Bonds"), in the aggregate principal amount of \$205,420,000, pursuant to the Bond Indenture dated as of February 1, 2010, as amended by the First Supplemental Indenture dated as of January 1, 2011 and the Second Supplemental Indenture dated as of March 1, 2012 (collectively, the "Series 2010A Indenture"), between the Authority and UMB Bank, N.A., as trustee (the "Series 2010A Trustee"); and

WHEREAS, portions of the proceeds of the Series 2010A Bonds and the Series 2011A Bonds were applied to the partial refunding of the Authority's Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2000A (the "Series 2000A Bonds") issued under the Bond Indenture dated as of April 1, 2000, as amended by the First Supplemental Indenture dated as of March 1, 2004, the Second Supplemental Indenture dated as of February 1, 2010, the Third Supplemental Indenture dated as of November 1, 2011, and the Fourth Supplemental Indenture dated as of March 1, 2012 (collectively, the "Series 2000A Indenture"), between the Authority and UMB Bank & Trust, N.A., as trustee (the "Series 2000A Trustee"); and

WHEREAS, a portion of the Series 2000A Bonds are allocable to the Sewerage System Improvement and Refunding Revenue Bonds (State Revolving Fund Program) Series 2000 of the City of Kimberling City (the “Kimberling City Bonds”); and

WHEREAS, the City of Kimberling City has exercised its option to redeem the Kimberling City Bonds in whole on or about June 1, 2013; and

WHEREAS, Section 8.1 of the Series 2010A Indenture and the Series 2000A Indenture authorizes the Authority and the Series 2010A Trustee or the Series 2000A Trustee, as applicable, to enter into indentures supplemental to the Indenture without the consent of, or notice to, any of the owners of the Series 2010A Bonds or the Series 2000A Bonds, as applicable, to cure any ambiguity or formal defect or omission; and

WHEREAS, the Authority has been advised that amendments to the Series 2010A Indenture and the Series 2000A Indenture are necessary and/or desirable to address the ramifications of the redemption of the Kimberling City Bonds; and

WHEREAS, the Authority has determined to amend the Series 2010A Indenture and the Series 2000A Indenture; and

WHEREAS, the Authority further finds and determines that it is necessary and desirable that the Authority enter into certain documents and take certain other actions in connection with the Authority’s entry into the documents as herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section 1. Authorization of Authority Documents. The Authority is hereby authorized to enter into the following documents (the “Authority Documents”), in substantially the forms presented and reviewed by the Authority at this meeting (copies of which documents shall be filed with the records of the Authority), with such final terms and such changes therein as shall be approved by the officers of the Authority executing such documents, such officers’ signatures thereon being conclusive evidence of their approval thereof:

(a) Third Supplemental Indenture, between the Authority and the Series 2010A Trustee, amending the Series 2010A Indenture;

(b) Fifth Supplemental Indenture, between the Authority and the Series 2000A Trustee, amending the Series 2000A Indenture; and

(c) Second Amendment to Federal Tax Certificate of the Authority, relating to the Series 2010A Bonds.

Section 2. Execution of Authority Documents. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Authority Documents for and on behalf of and as the act and deed of the Authority. The Secretary or the Assistant Secretary is hereby authorized and directed to attest to the Authority Documents where applicable.

Section 3. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the Authority with respect to the Authority Documents.

Section 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 10th day of May, 2013.

Chairman of the Authority

(Seal)
ATTEST:

Secretary of the Authority

THIRD SUPPLEMENTAL INDENTURE

THIS THIRD SUPPLEMENTAL INDENTURE (this “Third Supplemental Indenture”) made and entered into as of June 1, 2013, by and between the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), organized and existing by, under and pursuant to the laws of the State of Missouri, and UMB BANK, N.A., a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out by virtue of the laws of the United States of America, with its principal corporate trust office located in St. Louis, Missouri, as Trustee (the “Trustee”):

RECITALS:

1. Pursuant to Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended, thereto (the “Act”) the Authority has issued its \$205,420,000 aggregate principal amount of Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2010A (the “Bonds”) pursuant to the Bond Indenture dated as of February 1, 2010, as amended by the First Supplemental Indenture dated as of January 1, 2011 and the Second Supplemental Indenture dated as of March 1, 2012 (collectively, the “Indenture”), between the Authority and the Trustee.

2. Section 8.1 of the Indenture authorizes the Authority and the Trustee to enter into indentures supplemental to the Indenture without the consent of, or notice to, any of the Bondholders to cure any ambiguity or formal defect or omission in the Indenture.

3. Section 8.3 of the Indenture provides that before the Authority and the Trustee enter into a supplemental indenture there shall have been delivered to the Authority, the Trustee and the Missouri Department of Natural Resources (“DNR”), an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

4. A portion of the Bonds was applied to the partial refunding of the Authority’s Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2000A (the “Series 2000A Bonds”). A portion of the Series 2000A Bonds are allocable to the Sewerage System Improvement and Refunding Revenue Bonds (State Revolving Fund Program) Series 2000 of the City of Kimberling City, Missouri (the “Kimberling City Bonds”).

5. The City of Kimberling City, Missouri has exercised its option to redeem the Kimberling City Bonds in whole on or about June 1, 2013.

6. The Authority has been advised that amendments to Exhibit C and Exhibit D to the Indenture are necessary and/or desirable in order to assure debt service coverage for the Bonds is maintained upon the redemption of the Kimberling City Bonds and resulting redemption of a portion of the Series 2000A Bonds.

7. The Authority has determined to amend and supplement the Indenture by replacing Exhibit C (reflecting changes to the numbers for the Series 2000A Bonds) and Exhibit D and Exhibit E to the Indenture.

AGREEMENT:

Section 1. Drinking Water Escrow Fund. Section 1 of the Second Supplemental Indenture is amended and restated as follows:

Section 1. Drinking Water Escrow Fund.

(a) The Authority hereby creates and establishes the Drinking Water Escrow Fund.

(b) Upon receipt, the Trustee will deposit \$13,569,191.69 received from the trustee for the Series 1998B Bonds in the Drinking Water Escrow Fund. The Trustee will deposit any other amounts received and for which the deposit to the Drinking Water Escrow Fund has been directed by an Officer's Certificate.

(c) The Trustee will transfer from the Drinking Water Escrow Fund the amounts on the dates as set forth in Exhibit E to the Debt Service Fund. Upon receipt of any additional amount from time to time pursuant to paragraph (b), the Authority, by Officer's Certificate will deliver a replacement Exhibit E, the delivery of which will not require a supplemental indenture.

(d) Moneys in the Drinking Water Escrow Fund will be invested in accordance with Section 4.7 of the Indenture. Investment earnings on the Drinking Water Escrow Fund will be transferred to the Debt Service Fund on each Interest Payment Date.

Section 2. Clean Water Escrow Fund.

(a) The Authority hereby creates and establishes the Clean Water Escrow Fund.

(b) The Trustee will deposit any amount from the source, and for which the deposit to the Clean Water Escrow Fund, as directed by an Officer's Certificate.

(c) Upon receipt of any amount from time to time for deposit to the Clean Water Escrow Fund pursuant to paragraph (b), the Authority, by Officer's Certificate will deliver a replacement Exhibit E, the delivery of which will not require a supplemental indenture.

(d) Moneys in the Clean Water Escrow Fund will be invested in accordance with Section 4.7 of the Indenture. Investment earnings on the Clean Water Escrow Fund will be transferred to the Debt Service Fund on each Interest Payment Date.

Section 3. Debt Service Fund. Section 4.2(c) is amended and restated as follows:

(c) On each Interest Payment Date, after the payment of debt service due on the Bonds on that date, the Trustee will transfer to DNR, in accordance with written instructions, the balance in the Debt Service Fund in excess of the retained balance set forth on Exhibit D for the applicable date.

Section 4. Exhibits. The Indenture is amended by amending and restating Exhibit C, Exhibit D and Exhibit E, in the forms attached to this Third Supplemental Indenture.

Section 5. Ratification of Indenture; Effective Date. The Indenture shall remain in full force and effect as amended, modified and supplemented by this Third Supplemental Indenture. This Third Supplemental Indenture is effective as of June 1, 2013.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this First Supplemental Indenture to be signed on their behalf by their duly authorized representatives, all as of the date first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By _____
Chairman

UMB BANK, N.A., as Trustee

By _____
Vice President

EXHIBIT C

MINIMUM REFUNDED BONDS TRANSFERS

Date	<u>1995C</u>	<u>1996D</u>	<u>1997D</u>	<u>1997E</u>	<u>1998A</u>
July 1, 2010	\$4,989.65	\$2,412.84	\$28,859.47	\$13,345.51	\$59,503.71
January 1, 2011	84,910.35	34,648.41	436,015.53	198,741.99	748,786.29
July 1, 2011	4,126.85	2,083.04	25,246.21	11,923.17	55,029.95
January 1, 2012	86,873.15	33,509.46	462,853.79	203,164.33	764,995.05
July 1, 2012	3,253.67	1,753.24	21,368.59	10,341.53	48,427.84
January 1, 2013	83,546.33	32,370.51	477,756.41	212,058.48	793,772.16
July 1, 2013	2,349.29	1,423.44	17,314.70	8,678.78	41,555.17
January 1, 2014	90,250.71	36,231.57	501,185.30	210,264.99	820,194.83
July 1, 2014	1,413.73	1,093.63	13,040.50	7,016.02	35,327.87
January 1, 2015	96,386.27	34,798.87	522,634.50	213,215.24	849,922.13
July 1, 2015	457.38	763.83	8,545.96	5,312.71	28,821.15
January 1, 2016	41,942.62	38,366.17	547,104.04	215,693.55	877,178.85
July 1, 2016		381.92	4,462.05	3,568.84	22,035.00
January 1, 2017		36,683.08	564,937.95	222,699.91	906,965.00
July 1, 2017			189.07	1,784.43	14,969.44
January 1, 2018			20,860.93	218,978.09	934,030.56
July 1, 2018					7,624.43
January 1, 2019					958,375.57
July 1, 2019					
January 1, 2020					
July 1, 2020					
January 1, 2021					
July 1, 2021					
January 1, 2022					
July 1, 2022					
January 1, 2023					
July 1, 2023					
January 1, 2024					

<u>Date</u>	<u>1998B</u>	<u>1999B</u>	<u>2000A</u>	<u>2000B</u>	<u>2001A</u>
July 1, 2010	\$396,721.94	\$4,536.26	\$95,266.89	\$223,160.02	\$100,331.25
January 1, 2011	2,589,490.56	3,965.77	38,561.05	103,504.66	236,313.75
July 1, 2011	364,108.14	20,106.74	256,972.72	342,815.38	92,342.94
January 1, 2012	2,696,541.86	3,646.22	37,079.16	98,552.03	789,302.06
July 1, 2012	91,396.82	19,676.29	303,073.34	347,768.01	85,849.13
January 1, 2013	1,250,403.18	3,306.68	35,159.23	93,410.81	802,360.87
July 1, 2013	78,344.85	19,235.83	306,933.27	627,909.23	78,401.42
January 1, 2014	1,269,630.15	2,957.13	32,447.49	89,194.84	808,933.58
July 1, 2014	64,864.82	18,790.38	310,157.51	653,375.20	70,742.13
January 1, 2015	1,296,397.68	2,597.58	29,686.46	82,989.67	824,592.87
July 1, 2015	50,951.10	18,339.93	472,856.04	852,142.83	62,068.95
January 1, 2016	1,320,186.40	2,228.03	25,602.46	76,599.31	843,421.05
July 1, 2016	37,901.41	17,884.48	477,102.54	929,283.24	52,888.88
January 1, 2017	1,339,698.59	1,845.98	21,684.53	67,528.22	775,538.62
July 1, 2017	27,995.26	17,422.78	485,945.47	973,479.28	44,714.71
January 1, 2018	1,366,504.74	1,463.94	17,564.24	59,335.47	788,787.79
July 1, 2018	17,822.36	21,961.07	488,420.76	1,970,102.03	35,848.65
January 1, 2019	1,350,427.64	986.37	13,236.58	41,664.87	805,401.35
July 1, 2019	4,298.84	21,313.63	499,788.42	2,025,162.63	26,168.15
January 1, 2020	504,951.16	493.19	8,649.76	22,826.94	809,831.85
July 1, 2020		20,656.81	449,515.24	1,978,448.06	16,174.13
January 1, 2021			4,372.94	3,774.44	823,075.87
July 1, 2021			455,422.06	339,100.56	5,831.96
January 1, 2022					529,668.04
July 1, 2022					
January 1, 2023					
July 1, 2023					
January 1, 2024					

<u>Date</u>	<u>2001C</u>	<u>2002A</u>	<u>2002B</u>	<u>2003A</u>	<u>2003B</u>
July 1, 2010	\$712,000.05	\$224,168.53	\$1,248,737.50	\$649,400.04	\$286,765.74
January 1, 2011	712,000.06	558,879.06	633,908.51	2,151,543.71	461,729.30
July 1, 2011	712,000.06	216,120.80	1,863,566.49	639,776.62	283,838.82
January 1, 2012	705,197.02	566,926.75	609,957.21	2,161,167.13	464,656.22
July 1, 2012	718,803.10	206,561.80	1,887,517.79	635,593.51	280,240.86
January 1, 2013	665,209.27	576,485.75	569,662.50	2,165,350.24	468,254.18
July 1, 2013	758,790.85	196,261.02	5,422,812.50	629,360.05	275,339.33
January 1, 2014	623,347.82	1,681,786.56	519,990.69	2,741,583.70	1,668,155.71
July 1, 2014	800,652.27	178,488.00	5,395,259.31	619,794.57	254,424.23
January 1, 2015	579,277.20	1,720,703.32	469,135.33	3,123,349.18	1,792,383.31
July 1, 2015	844,722.88	160,486.60	5,482,564.67	600,014.55	229,628.21
January 1, 2016	532,952.06	1,760,548.49	416,213.46	5,787,466.70	1,855,779.33
July 1, 2016	891,048.05	141,037.09	5,579,011.54	551,517.09	208,112.79
January 1, 2017	484,329.96	1,802,272.95	361,211.99	5,938,814.16	1,915,499.75
July 1, 2017	939,670.11	120,867.76	5,663,513.01	500,542.38	184,067.52
January 1, 2018	416,878.48	1,829,879.79	304,198.18	6,357,151.37	1,995,545.02
July 1, 2018	1,007,121.58	99,906.09	5,771,001.82	445,323.98	155,339.41
January 1, 2019	336,324.15	1,873,978.97	244,815.56	6,944,544.77	2,066,379.38
July 1, 2019	7,512,675.85	78,822.90	5,874,909.44	384,697.78	125,538.91
January 1, 2020	257,588.55	1,923,504.66	182,968.26	7,583,545.98	2,141,623.67
July 1, 2020	7,665,161.45	61,582.29	5,979,781.74	316,856.20	90,215.68
January 1, 2021	176,199.12	1,948,007.71	127,990.29	8,211,200.05	2,235,215.68
July 1, 2021	8,075,550.88	41,695.44	6,081,759.71	241,669.30	35,250.00
January 1, 2022	89,650.05	2,010,919.56	71,538.69	8,836,355.70	1,445,250.00
July 1, 2022	6,702,599.95	20,889.97	6,164,711.31	163,368.39	
January 1, 2023	20,032.13	1,923,200.03	13,753.95	9,032,906.61	
July 1, 2023	1,386,967.87		1,403,746.05	82,622.65	
January 1, 2024				6,721,377.35	

EXHIBIT D

DEBT SERVICE FUND RETAINED BALANCES CLEAN WATER

<u>Date</u>	<u>Retained Balance</u>
July 1, 2010	\$0.00
January 1, 2011	76,048.32
July 1, 2011	0.00
January 1, 2012	70,500.70
July 1, 2012	0.00
January 1, 2013	0.00
July 1, 2013	3,026,879.57
January 1, 2014	0.00
July 1, 2014	3,214,882.74
January 1, 2015	0.00
July 1, 2015	3,837,407.05
January 1, 2016	0.00
July 1, 2016	4,234,399.87
January 1, 2017	0.00
July 1, 2017	4,640,223.13
January 1, 2018	0.00
July 1, 2018	5,764,008.23
January 1, 2019	0.00
July 1, 2019	11,203,139.15
January 1, 2020	0.00
July 1, 2020	11,743,601.53
January 1, 2021	0.00
July 1, 2021	10,973,996.02
January 1, 2022	0.00
July 1, 2022	10,010,954.13
January 1, 2023	0.00
July 1, 2023	515,122.65
January 1, 2024	0.00

DEBT SERVICE FUND RETAINED BALANCES
DRINKING WATER

<u>Date</u>	<u>Retained Balance</u>
July 1, 2010	\$0.00
January 1, 2011	62,572.88
July 1, 2011	0.00
January 1, 2012	70,500.70
July 1, 2012	0.00
January 1, 2013	0.00
July 1, 2013	0.00
January 1, 2014	0.00
July 1, 2014	0.00
January 1, 2015	0.00
July 1, 2015	0.00
January 1, 2016	0.00
July 1, 2016	0.00
January 1, 2017	0.00
July 1, 2017	0.00
January 1, 2018	0.00
July 1, 2018	38,953.28
January 1, 2019	0.00
July 1, 2019	1,565,026.59
January 1, 2020	0.00
July 1, 2020	1,635,435.32
January 1, 2021	0.00
July 1, 2021	1,723,621.94
January 1, 2022	0.00
July 1, 2022	1,071,653.15
January 1, 2023	0.00
July 1, 2023	922,500.00
January 1, 2024	0.00

EXHIBIT E

CLEAN WATER ESCROW FUND TRANSFERS

<u>Date</u>	<u>Amount</u>
January 1, 2014	
July 1, 2014	
January 1, 2015	
July 1, 2015	
January 1, 2016	
July 1, 2016	
January 1, 2017	
July 1, 2017	
January 1, 2018	
July 1, 2018	
January 1, 2019	
July 1, 2019	
January 1, 2020	
July 1, 2020	
January 1, 2021	
July 1, 2021	
January 1, 2022	
July 1, 2022	
January 1, 2023	
July 1, 2023	
January 1, 2024	

DRINKING WATER ESCROW FUND TRANSFERS

<u>Date</u>	<u>Amount</u>
July 1, 2012	\$ 127,017.62
January 1, 2013	960,466.74
July 1, 2013	67,779.19
January 1, 2014	3,067,452.30
July 1, 2014	34,439.27
January 1, 2015	2,161,543.59
July 1, 2015	0.00
January 1, 2016	2,273,060.19
July 1, 2016	0.00
January 1, 2017	2,389,704.22
July 1, 2017	0.00
January 1, 2018	2,487,728.57
July 1, 2018	0.00
January 1, 2019	0.00
July 1, 2019	0.00
January 1, 2020	0.00
July 1, 2020	0.00
January 1, 2021	0.00
July 1, 2021	0.00
January 1, 2022	0.00
July 1, 2022	0.00
January 1, 2023	0.00
July 1, 2023	0.00
January 1, 2024	0.00
	\$13,569,191.69

FIFTH SUPPLEMENTAL INDENTURE

Dated as of June 1, 2013

between

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

and

UMB BANK, N.A.,
as Trustee

Relating to

WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS
(STATE REVOLVING FUND PROGRAM – MASTER TRUST)
SERIES 2000A

FIFTH SUPPLEMENTAL INDENTURE

THIS FIFTH SUPPLEMENTAL INDENTURE (this “Fifth Supplemental Indenture”), made and entered into as of June 1, 2013, by and between the STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), organized and existing by, under and pursuant to the laws of the State of Missouri, and UMB BANK, N.A., a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out by virtue of the laws of the United States of America, with a corporate trust office located in St. Louis, Missouri, as Trustee (the “Trustee”):

RECITALS:

1. Pursuant to Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended, thereto (the “Act”) the Authority has issued its \$52,640,000 aggregate principal amount of Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2000A (the “Bonds”) pursuant to the Bond Indenture dated as of April 1, 2000, as amended by the First Supplemental Indenture dated as of March 1, 2004 (the “First Supplement”), the Second Supplemental Indenture dated as of February 1, 2010 (the “Second Supplement”), the Third Supplemental Indenture dated as of November 1, 2011, and the Fourth Supplemental Indenture dated as of March 1, 2012 (the “Fourth Supplement,” collectively, the “Indenture”), between the Authority and the Trustee, and the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the “Clean Water SRF Program”).

2. Paragraphs f and j of Section 8.1 of the Indenture authorize the Authority and the Trustee to enter into indentures supplemental to the Indenture without the consent of, or notice to, any of the Bondholders to provide for the refunding or advance refunding of any Bonds and to make any other change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the owners of any outstanding Bonds.

3. Section 8.3 of the Indenture provides that before the Authority and the Trustee enter into a supplemental indenture there shall have been delivered to the Authority, the Trustee, the Missouri Department of Natural Resources (“DNR”) and the Public Entities (within the meaning of the Indenture), an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

4. A portion of the Bonds is allocable to the Sewerage System Improvement and Refunding Revenue Bonds (State Revolving Fund Program) Series 2000 of the City of Kimberling City (the “Kimberling City Bonds”). The City of Kimberling City has exercised its option to redeem the Kimberling City Bonds in whole on or about June 1, 2013.

5. The Authority has been advised that amendment of the Indenture is necessary and/or convenient to assure debt service coverage for the Bonds is maintained and the impact of the redemption of the Kimberling City Bonds on the Clean Water Program is minimized.

6. The Authority has requested that the Indenture be amended and supplemented as set forth in this Fifth Supplemental Indenture.

AGREEMENT:

Section 1. Definitions. Section 1.1 of the Indenture is amended by inserting the following:

“Refunding Bonds Reserve Account” means the Refunding Bonds Reserve Account established in the Reserve Fund.

Section 2. Special Redemption. Upon the Trustee’s receipt of the redemption price of the Kimberling City Bonds, the Trustee will promptly, on the earliest practicable date, cause the redemption of the principal amounts of the Bonds maturing on the dates as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>
07/01/2014	\$95,000
07/01/2015	50,000
07/01/2016	80,000
07/01/2017	65,000
07/01/2018	55,000
07/01/2019	40,000
07/01/2020	35,000
07/01/2021	20,000

Section 3. Reserve Fund. Section 4.6 is amended by inserting the following new subsection:

(h) The Refunding Bonds Reserve Account is established in the Reserve Fund. On the redemption date of the Bonds described in Section 2 of the Fifth Supplemental Indenture, the balance in the Reserve Account for the City of Kimberling City will be transferred to the Refunding Bonds Reserve Account. On each Interest Payment Date or other date on which interest earnings on the Refunding Bonds Reserve Account are received, the Trustee will transfer the Refunding Bonds Reserve Account earnings received to the Refunding Bonds Trustee for deposit in the Debt Service Fund under the Refunding Bonds Indenture.

Section 4. Application of Funds.

(a) Upon receipt, \$[440,000 principal plus interest to July 1, 2013] received from DNR will be deposited in the Debt Service Fund and applied to the redemption of Bonds pursuant to Section 2.

(b) Upon receipt of \$3,243,326.37 from the City of Kimberling City, representing the proceeds of the redemption of the Kimberling City Bonds (\$3,220,076.88) and the final monthly installment of principal and interest for the Interest Period ending June 30, 2013 (\$23,249.49), the Trustee will apply proceeds received from the City of Kimberling City, as follows:

- (1) \$3,220,076.88 will be transferred to DNR; and
- (2) \$23,249.49 will be deposited in the Kimberling City Principal Account and Interest Account.

(c) The Trustee will apply the balance of funds remaining in the Kimberling City Debt Service Account, Principal Account and Interest Account to the payment of debt service on the Bonds due on the July 1, 2013 Interest Payment Date.

Section 5. Exhibits. The Indenture is further amended by amending and restating Exhibit D and Exhibit E as set forth in Exhibit D and Exhibit E attached to this Fifth Supplemental Indenture.

Section 6. Ratification of Indenture. The Indenture shall remain in full force and effect as amended, modified and supplemented by this Fifth Supplemental Indenture.

Section 7. Effective Date. This Fifth Supplemental Indenture shall be effective as its date of execution and delivery.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Fifth Supplemental Indenture to be executed on their behalf by their duly authorized representatives, all as of the date first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

(SEAL)
ATTEST:

By _____
Chairman

Secretary

UMB BANK, N.A., as Trustee

By _____
Title: Vice President

EXHIBIT D
MINIMUM TRANSFERS

<u>Interest Payment Date</u>	<u>Minimum Transfer Amount</u>
1-Jul-13	
1-Jan-14	
1-Jul-14	
1-Jan-15	
1-Jul-15	
1-Jan-16	
1-Jul-16	
1-Jan-17	
1-Jul-17	
1-Jan-18	
1-Jul-18	
1-Jan-19	
1-Jul-19	
1-Jan-20	
1-Jul-20	
1-Jan-21	
1-Jul-21	

EXHIBIT E
MASTER DEBT SERVICE ACCOUNT RETAINED BALANCES

<u>Interest Payment Date</u>	<u>Retained Balance</u>
1-Jul-10	\$233,884.31
1-Jan-11	0.00
1-Jul-11	221,216.86
1-Jan-12	0.00
1-Jul-12	114,503.18
1-Jan-13	0.00
1-Jul-13	103,142.65
1-Jan-14	0.00
1-Jul-14	90,766.43
1-Jan-15	0.00
1-Jul-15	77,117.65
1-Jan-16	0.00
1-Jul-16	60,898.59
1-Jan-17	0.00
1-Jul-17	44,254.74
1-Jan-18	0.00
1-Jul-18	26,302.64
1-Jan-19	0.00
1-Jul-19	7,826.16
1-Jan-20	0
1-Jul-20	1
1-Jan-21	0
1-Jul-21	1

SECOND SUPPLEMENTAL FEDERAL TAX CERTIFICATE

THIS SECOND SUPPLEMENTAL FEDERAL TAX CERTIFICATE (this “Supplemental Tax Certificate”) is executed as of June 1, 2013, by the **STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY**, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Issuer”).

RECITALS

1. This Supplemental Tax Certificate supplements the Federal Tax Certificate dated as of February 1, 2010 (the “Tax Certificate”) by the Issuer and executed and delivered in connection with the issuance by the Issuer of \$205,420,000 principal amount of Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2010A (the “Bonds”), under the Bond Indenture dated as of February 1, 2010, as amended by the First Supplemental Indenture dated as of January 1, 2011 and the Second Supplemental Indenture dated as of March 1, 2012 (collectively, the “Indenture”), between the Issuer and UMB Bank, N.A., as trustee (the “Trustee”).

2. This Supplemental Tax Certificate is executed and delivered in connection with the Issuer’s delivery of the Third Supplemental Indenture dated as of June 1, 2013 (the “Third Supplement”), between the Issuer and the Trustee.

3. The Issuer is executing this Supplemental Tax Certificate in order to set forth certain facts, covenants, representations, and expectations relating to the Investment of the Bond proceeds and of certain other related money, in order to establish and maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Code § 148(f).

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Supplemental Tax Certificate, the Issuer represents, covenants and agrees as follows:

Section 1 Definitions of Words and Terms. Section 1.1. of the Tax Certificate is amended as set forth in this Section.

(a) The definition of “Gross Proceeds” in the Tax Certificate is amended and restated as follows:

“Gross Proceeds” means (a) sale proceeds (any amounts actually or constructively received by the Issuer from the sale of the Bonds, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (b) Investment proceeds (any amounts received from investing sale proceeds, other Investment proceeds or transferred proceeds), (c) any amounts held in a sinking fund for the Bonds, (d) any amounts held in a pledged fund or reserve fund for the Bonds, (e) any other replacement proceeds and (f) any transferred proceeds. Specifically, Gross Proceeds includes (but is not limited to) amounts held in the following funds and accounts:

- (1) Costs of Issuance Fund.
- (2) Debt Service Fund.
- (3) Escrow Fund.

- (4) Rebate Fund (to the extent funded with sale proceeds or investment proceeds of the Bonds).
- (5) Drinking Water Escrow Fund.
- (6) Clean Water Escrow Fund.
- (7) Special Reserve Account – 1998B.
- (8) Special Reserve Account – 2000A.

(b) The definition of “Special Reserve Account” in the Tax Certificate is amended and restated as follows:

“Special Reserve Account – 1998B” means the Refunding Bonds Reserve Account established in the Reserve Fund under the Bond Indenture dated as of December 1, 1998, as amended by the First Supplemental Indenture dated as of February 1, 2010 and the Second Supplemental Trust Indenture dated as of March 1, 2012 (collectively, the **“Series 1998B Indenture”**), each between the Issuer and UMB Bank & Trust, N.A., as trustee (the **“Series 1998B Trustee”**), with respect to the Issuer’s Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 1998B.

(c) The following new definitions are inserted:

“Clean Water Escrow Fund” means the Clean Water Escrow Fund established with the Trustee pursuant to the Third Supplement.

“Special Reserve Account – 2000A” means the Refunding Bonds Reserve Account established in the Reserve Fund under the Bond Indenture dated as of April 1, 2000, as amended by the First Supplemental Indenture dated as of March 1, 2004, the Second Supplemental Indenture dated as of February 1, 2010, the Third Supplemental Indenture dated as of November 1, 2011, the Fourth Supplemental Indenture dated as of March 1, 2012, and the Fifth Supplemental Indenture dated as of June 1, 2013 (collectively, the **“Series 2000A Indenture”**), each between the Issuer and UMB Bank & Trust, N.A., as trustee (the **“Series 2000A Trustee”**), with respect to the Issuer’s Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2000A.

Section 2. Funds and Accounts. Section 3.4 of the Tax Certificate is amended and restated as follows:

Section 3.4. Funds and Accounts. The following funds and accounts have been established under the Indenture:

Costs of Issuance Fund;
Debt Service Fund;
Rebate Fund;
Clean Water Escrow Fund; and
Drinking Water Escrow Fund.

In addition, (i) the Escrow Fund is established in the custody of the Escrow Agent under the Escrow Agreement, (ii) the Special Reserve Account – 1998B is established in the custody of the Series 1998B Trustee, and (iii) the Special Reserve Account – 2000A is established in the custody of the Series 2000A Trustee.

Section 3. Amount and Use of Bond Proceeds and Other Money. Section 3.5 of the Tax Certificate is amended by inserting the following at the end of the Section:

(d) *Other Proceeds.* Upon receipt from time to time, the Trustee will deposit moneys in the Clean Water Escrow Fund and the Drinking Water Escrow Fund in the amounts and from the sources as set forth in an Officer's Certificate.

Section 4. Reserve, Replacement and Pledged Funds. Section 3.10 of the Tax Certificate is amended and restated as follows:

Section 3.10. Reserve, Replacement and Pledged Funds.

(a) *Debt Service Reserve Funds.* Except for the Clean Water Escrow Fund, the Drinking Water Escrow Fund, the Special Reserve Account – 1998B and the Special Reserve Account – 2000A as further described in **subsection (b)**, no reserve or replacement fund has been established for the Bonds. However, there have been Special Participant Bond Reserve Accounts established under the Refunded Bonds Indentures for the Refunded Bonds and applicable Participants as set forth in **Schedule 3**. Upon discharge of any principal amount of the Refunded Obligations of the above series with proceeds of the Bonds, a ratable portion of the balance of a Participant's Special Participant Bond Reserve Account will become proceeds of the Bonds (determined in accordance Regulations § 1.148-9(b)).

(b) *Clean Water Escrow Fund, the Drinking Water Escrow Fund, the Special Reserve Account – 1998B and the Special Reserve Account – 2000A.*

(1) The Second Supplement establishes a Drinking Water Escrow Fund to be funded as described in **Section 3.5(c)** and in the future as provided in **Section 3.5(d)**. The source of the funds initially deposited in the Drinking Water Escrow Fund are proceeds of the City of Cape Girardeau, Missouri Waterworks System Refunding Revenue Bonds, Series 2012 (the "Cape Girardeau Refunding Bonds"). Moneys in the Drinking Water Escrow Fund are expected to be used to pay debt service on the Bonds on the dates and in the amounts as set forth in Exhibit E to the Indenture, as the same may be amended from time to time. Moneys in the Drinking Water Escrow Fund must be invested at a yield not greater than the yield on the Cape Girardeau Refunding Bonds (3.4479%) and are not eligible to benefit from the use of yield reduction payments under Regulations § 1.148-5(c).

(2) The Third Supplement establishes a Clean Water Escrow Fund to be funded in the future as described in **Section 3.5(d)**. Moneys in the Clean Water Escrow Fund are expected to be used to pay debt service on the Bonds on the dates and in the amounts as set forth in Exhibit E to the Indenture, as the same may be amended from time to time. Moneys in the Clean Water Escrow Fund must be invested at a yield not greater than the yield on the Bonds.

(3) The Series 1998B Indenture establishes the Special Reserve Account – 1998B. Earnings on amounts held in the Special Reserve Account – 1998B are expected to be used to pay debt service on the Bonds. The principal balance of the Special Reserve Account – 1998B is expected to be released from

time to time in accordance with the Series 1998B Indenture to the Master Trustee (as defined in the Series 1998B Indenture) or DNR, as applicable. The Series 2000A Indenture establishes the Special Reserve Account – 2000A. Earnings on amounts held in the Special Reserve Account – 2000A are expected to be used to pay debt service on the Bonds. The principal balance of the Special Reserve Account – 2000A is expected to be released from time to time in accordance with the Series 2000A Indenture to the Master Trustee (as defined in the Series 2000A Indenture) or DNR, as applicable. If the Special Reserve Account – 1998B and/or the Special Reserve Account – 2000A are invested at a yield in excess of the Yield on the Bonds, the Authority will cause the Trustee to make yield reduction payments under Treasury Regulations § 1.148–5(c) if necessary to reduce the yield on the Special Reserve Account – 1998B and/or the Special Reserve Account – 2000A and other yield-restricted funds to a Yield not exceeding the Yield on the Bonds.

(c) *No Other Replacement or Pledged Funds.* None of the Bond proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facilities or refund the Refunded Obligations, and that instead has been or will be used to acquire higher Yielding Investments. Except for the Debt Service Fund, the Clean Water Escrow Fund, and the Drinking Water Escrow Fund, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest on the Bonds if the Issuer encounters financial difficulty.

Section 5. Temporary Periods/Yield Restriction. Section 4.1(b) of the Tax Certificate is amended and restated as follows:

(b) *Escrow Fund, Clean Water Escrow Fund, Special Reserve Account – 1998B and Special Reserve Account – 2000A.* Proceeds of the Bonds deposited in the Escrow Fund are being invested at a Yield less than the Yield on the Bonds. Moneys in the Clean Water Escrow Fund, the Special Reserve Account – 1998B and the Special Reserve Account – 2000A must be invested at a Yield not greater than the Yield on the Bonds. In lieu of actual yield restriction, the Authority may make Yield reduction payments to the United States pursuant to Regulation §1.148-5(c) at such times and in such manner as is provided for the payment of arbitrage rebate in **Section 4.4**.

Section 6. Ratification of Tax Certificate; Effective Date. The Tax Certificate shall remain in full force and effect as amended, modified and supplemented by this Second Supplemental Tax Certificate. This Second Supplemental Tax Certificate is effective as of June 1, 2013.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Authority has caused this Supplemental Tax Certificate to be signed on its behalf by its Chairman, all as of the effective date above.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By _____
Chairman

State Environmental Improvement and Energy Resources Authority
305th Board Meeting
May 10, 2013

Agenda Item #4A
SELECTION OF AUTHORITY AUDITOR

Issue:

Request for Proposals were sent to ten auditing firms to perform auditing services for the Authority for Fiscal Years 2013-15. One firm, Williams-Keepers LLC, submitted a proposal.

Action Needed:

Selection of a firm to provide auditing services for the Authority and authorization for the Director, or her designee, to negotiate and enter into a contract for auditing services for Fiscal Years 2013-15 with an option to renew for two additional years.

Staff Recommendation:

Staff recommends that Williams-Keepers LLC be selected to perform auditing services for Fiscal Years 2013-15 with the renewal period.

Staff Contact:

Karen Massey

Background:

On March 20, 2013, the Request for Proposals approved at the February 7 Board Meeting was sent to ten auditing firms. Firms were both large and small and included minority and women owned businesses which perform the type of work, including Single Audits, required by the Authority. Proposals were due on April 15. The only proposal received was that of our previous auditor, Williams-Keepers LLC.

General Counsel is comfortable that the solicitation met all legal requirements and the Board may authorize entering into an agreement with the sole proposer. A review team consisting of Authority staff and a DNR auditor reviewed the proposal using the evaluation tool approved by the Board. All evaluators felt that Williams Keepers submitted a good proposal and that they are qualified to perform the required work.

The fees proposed were reasonable for the services provided and are less than the fees paid for the past three fiscal years. The fees proposed for the base audit started at \$16,000 for Fiscal Year 2013 with a \$500 increase with each successive year. An additional \$2,000 would be charged for the Single Audit for Fiscal Year 2013 and be negotiated, if needed, for the remainder of the contract term.

**306th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**June 13, 2013
10:00 a.m.**

**James C Kirkpatrick State Information Center
600 West Main Street
Jefferson City, Missouri**

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 305th Meeting of the Authority Held May 10, 2013, in Jefferson City, Missouri
3. State Revolving Fund Program
 - Update
 - Other
4. Missouri Market Development Program
 - Program Update
 - Consideration and Approval of the Financial Assistance Funding Recommendations for:
 - i. Master Marble, Inc.
 - ii. Missouri Organics Recycling, Inc.
 - iii. Nature's Methane FarmWorks
 - iv. St. Louis Green, Inc.
 - v. Loganbill Enterprises, LLC
 - Technical Assistance Update
 - Other
5. Brownfields Revolving Loan Fund
 - Update
 - Other
6. Natural Resource Damages Presentation
7. Selection of General Counsel
8. Election of Officers

9. Other Business

- Next Meeting Date (July 11, 2013)
- Opportunity for Public Comment (Limit of Four Minutes per Individual)
- Other

10. Closed Meeting Pursuant to Section 610.021(1), (2), (3) and (11) RSMo. (as needed)

11. Adjournment of Closed Meeting and Return to Open Meeting

12. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (2), (3) or (11) RSMo.

Members to be Present:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
LaRee DeFreece, Secretary
Deron Cherry, Treasurer

Staff to be Present:

Karen Massey, Director
Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Genny Eichelberger, Office Support Assistant
Andrew Combs, Intern

Legal Counsel to be Present:

Beverly A. Marcin
Lewis, Rice & Fingersh, L.C.

Agenda Item #4B(i)
MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE – FUNDING RECOMMENDATION FOR
MASTER MARBLE, INC.

Issue:

Master Marble, Inc., located in Holden, requested \$50,000 toward the purchase of a glass crusher and sorter that will expand the company's use of recycled glass in the production of kitchen counter tops, vanity tops, bath tubs, shower walls and various other products.

Action Needed:

Consideration of the funding recommendation for the Master Marble, Inc. project.

Staff Recommendation:

Staff recommends awarding Master Marble, Inc. \$50,000 in financial assistance, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Master Marble, Inc., requested \$50,000 toward the purchase of a glass crusher and sorter that will expand the company's use of recycled glass in the production of kitchen counter tops, vanity tops, bath tubs, shower walls and various other products. Master Marble is a father/son business established in 1987 that grew to \$2.5 million in revenue and employed thirty-eight people manufacturing cultured marble products. The down turn in the economy caused a serious revenue reduction and the company worked on several new product lines to combat the changing market. Master Marble has put tremendous effort into developing a unique manufacturing process and product using recycled glass and this is making a huge impact on the business. Master Marble produces both finished product and sells a unique colored glass aggregate to other manufacturers. The addition of the new sorter and crusher will enable them to continue this growth while diverting at least 120 tons from the waste stream annually and creating five new full time and two new part time employee positions.

The Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$50,000, not to exceed 75% of the cost of the equipment. For Fiscal Year 2013, the Missouri Market Development Program budget includes \$1,088,085 for direct financial assistance projects. At the time of this meeting, there is a balance of \$521,162 in this budget category. Should the members make awards at this meeting as recommended, the fiscal year closing balance for the direct financial assistance budget category would be \$49,562.

KT:ge

State Environmental Improvement and Energy Resources Authority
306th Board Meeting
June 13, 2013

Agenda Item #4B(ii)

**MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE – FUNDING RECOMMENDATION FOR
MISSOURI ORGANICS RECYCLING, INC.**

Issue:

Missouri Organics Recycling, Inc., located in Kansas City, requested \$46,598.25 to purchase equipment that would enable the company to transform large quantities of waste wood that will be generated by the Emerald Ash Borer destruction of ash trees in the region into dimensional lumber.

Action Needed:

Consideration of the funding recommendation for the Missouri Organics Recycling, Inc. project.

Staff Recommendation:

Staff recommends awarding Missouri Organics Recycling, Inc. \$46,600 in financial assistance, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Missouri Organics Recycling, Inc., requested \$46,598.25 to purchase equipment costing \$62,131 that would enable the company to transform large quantities of waste wood that will be generated by the Emerald Ash Borer destruction of ash trees in the region into dimensional lumber. Platt and Clay Counties are currently under a USDA quarantine area for the borer. It is estimated that there are as many as 400,000 ash trees in Kansas City and over the next ten years, nearly 100% of them will be affected. Missouri Organics is a family owned business established in 1993 to process organics into beneficial mulch and compost products. The company is a successful past program participant. Missouri Organics is working closely with Kansas City Parks and Recreation Forestry Operations to ensure that the company's capacity can meet the city's needs for the anticipated influx of waste wood. In pursuit of the highest and best use for this wood, Missouri Organics hopes to install a sawmill in order to convert the urban waste wood into urban lumber and will pay the City for each millable log, whereas currently trees removed by the City are typically landfilled. Several area woodworkers have expressed tremendous interest in using this locally generated urban waste to create new products. Missouri Organics anticipates creating one new full time and one new part time employee positions and diverting 1,000 tons from the waste stream annually with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$46,600, not to exceed 75% of the cost of the equipment.

For Fiscal Year 2013, the Missouri Market Development Program budget includes \$1,088,085 for direct financial assistance projects. At the time of this meeting, there is a balance of \$521,162 in this budget category. Should the members make awards at this meeting as recommended, the fiscal year closing balance for the direct financial assistance budget category would be \$49,562.

KT:ge

State Environmental Improvement and Energy Resources Authority
306th Board Meeting
June 13, 2013

Agenda Item #4B(iii)

**MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE- FUNDING RECOMMENDATION FOR
NATURE'S METHANE FARMWORKS**

Issue:

Nature's Methane FarmWorks, located in St. Louis, requested \$250,000 toward the purchase of a biodigester that would convert organic waste into biomethane used to power two gensets to provide electricity for a 56 unit apartment complex and approximately 800,000 diesel gallon equivalents of vehicle fuel annually.

Action Needed:

Consideration of the funding recommendation for the Nature's Methane FarmWorks project.

Staff Recommendation:

Staff recommends awarding Nature's Methane FarmWorks \$250,000 in financial assistance, not to exceed 50% of the cost of the equipment, contingent on the program's receipt of documentation confirming financing for the balance of the project.

Staff Contact:

Kristin Tipton, Development Director

Background:

Nature's Methane FarmWorks, requested \$250,000 toward the purchase of a biodigester that would convert organic waste into biomethane used to power two gensets to provide electricity for a 56 unit apartment complex and approximately 800,000 diesel gallon equivalents of vehicle fuel annually. Nature's Methane FarmWorks is a newly formed Missouri entity and subsidiary of Nature's Methane of Markle, Indiana. The FarmWorks project includes the completed rehabilitation of an abandoned industrial building and a totally sustainable development project that involves additional building rehabilitation, vegetable growing and an aquaponics operation. Besides the production of market rate electricity, the anaerobic digester project will allow for the reduction of materials headed for a landfill, reduction of greenhouse gas emissions, the use of natural fertilizers and an alternative vehicle fuel produced at a substantial margin below diesel fuel. Nature's Methane FarmWorks anticipates creating three new full time employee positions and diverting 26,000 tons from the waste stream annually with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$250,000, not to exceed 50% of the cost of the

equipment, contingent on the program's receipt of documentation confirming financing for the balance of the project.

For Fiscal Year 2013, the Missouri Market Development Program budget includes \$1,088,085 for direct financial assistance projects. At the time of this meeting, there is a balance of \$521,162 in this budget category. Should the members make awards at this meeting as recommended, the fiscal year closing balance for the direct financial assistance budget category would be \$49,562.

KT:ge

Agenda Item #4B(iv)
MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE –FUNDING RECOMMENDATION FOR
ST. LOUIS GREEN, INC.

Issue:

St. Louis Green, Inc., located in Clayton, requested \$143,300 to purchase equipment costing \$191,150 that would enable the organization to collect and recycle post-consumer expanded polystyrene and to expand its new mattress recycling program.

Action Needed:

Consideration of the funding recommendation for the St. Louis Green, Inc. project.

Staff Recommendation:

Staff recommends awarding St. Louis Green, Inc. \$75,000 in financial assistance, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

St. Louis Green, Inc., requested \$143,300 to purchase equipment costing \$191,150 that would enable the organization to collect and recycle post-consumer expanded polystyrene and to expand its new mattress recycling program. St. Louis Green is a non-profit organization formed in 2005 dedicated to helping people live more sustainable lives. Besides education, the organization partners with the Cardinals and Rams on stadium recycling, has recycled over 60 tons of holiday lights in the past three years, assists corporations with diverting discarded furniture, and recently acquired and expanded the “pots to planks” program the Market Development Program established with the Missouri Botanical Gardens. The new EPS and mattress recycling programs are being established in response to unmet community need and are supported with good material supply streams and end markets. St. Louis Green anticipates creating two full time and four part time employee positions and diverting 2,621 tons from the waste stream annually with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$75,000 not to exceed 75% of the cost of the equipment.

For Fiscal Year 2013, the Missouri Market Development Program budget includes \$1,088,085 for direct financial assistance projects. At the time of this meeting, there is a balance of \$521,162 in this budget category. Should the members make awards at this meeting as recommended, the fiscal year closing balance for the direct financial assistance budget category would be \$49,562.

State Environmental Improvement and Energy Resources Authority
306th Board Meeting
June 13, 2013

Agenda Item #4B(v)
MISSOURI MARKET DEVELOPMENT PROGRAM – FUNDING RECOMMENDATION FOR
LOGANBILL ENTERPRISES, LLC

Issue:

Loganbill Enterprises, LLC, located in Latham, requested \$75,375 towards the purchase of equipment costing \$106,500 to set up an additional shavings mill that would enable the company to produce dried and bagged colored wood shavings primarily marketed to beef and equestrian show participants.

Action Needed:

Consideration of the funding recommendation for the Loganbill Enterprises, LLC project.

Staff Recommendation:

Staff recommends awarding Loganbill Enterprises, LLC, \$50,000 in financial assistance, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Loganbill Enterprises, LLC, requested \$75,375 toward the purchase of equipment costing \$106,500 to set up an additional shavings mill that would enable the company to produce dried and bagged colored wood shavings primarily marketed to beef and equestrian show participants. Loganbill Enterprises is a family owned operation established in 1996 that produces shavings, mulch and compost products from waste wood. The company is a successful past program participant. Loganbill Enterprises has been selling bulk colored shavings to the American Royal for the past five years and at the Missouri State Fair this past year. This exposure has led to several inquiries from across the country about the availability of bagged colored shavings. A separate mill is required because this premium product uses oak rather than the traditional pine shavings required by most users and the materials cannot be mixed as oak can cause health problems for poultry. Loganbill Enterprises anticipates diverting 750 tons of cabinet shop and slab wood waste annually and creating one new full time and one new part time employee positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, awarding Loganbill Enterprises, LLC, \$50,000 in financial assistance, not to exceed 75% of the cost of the equipment. The funding

recommendation is less than the amount requested because the project application scored only enough points to receive a maximum of \$50,000.

For Fiscal Year 2013, the Missouri Market Development Program budget includes \$1,088,085 for direct financial assistance projects. At the time of this meeting, there is a balance of \$521,162 in this budget category. Should the members make all awards at this meeting as recommended, the fiscal year closing balance for the direct financial assistance budget category would be \$49,562.

KT:ge

Agenda Item #4B(i)
MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE – FUNDING RECOMMENDATION FOR
MASTER MARBLE, INC.

Issue:

Master Marble, Inc., located in Holden, requested \$50,000 toward the purchase of a glass crusher and sorter that will expand the company's use of recycled glass in the production of kitchen counter tops, vanity tops, bath tubs, shower walls and various other products.

Action Needed:

Consideration of the funding recommendation for the Master Marble, Inc. project.

Staff Recommendation:

Staff recommends awarding Master Marble, Inc. \$50,000 in financial assistance, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Master Marble, Inc., requested \$50,000 toward the purchase of a glass crusher and sorter that will expand the company's use of recycled glass in the production of kitchen counter tops, vanity tops, bath tubs, shower walls and various other products. Master Marble is a father/son business established in 1987 that grew to \$2.5 million in revenue and employed thirty-eight people manufacturing cultured marble products. The down turn in the economy caused a serious revenue reduction and the company worked on several new product lines to combat the changing market. Master Marble has put tremendous effort into developing a unique manufacturing process and product using recycled glass and this is making a huge impact on the business. Master Marble produces both finished product and sells a unique colored glass aggregate to other manufacturers. The addition of the new sorter and crusher will enable them to continue this growth while diverting at least 120 tons from the waste stream annually and creating five new full time and two new part time employee positions.

The Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$50,000, not to exceed 75% of the cost of the equipment. For Fiscal Year 2013, the Missouri Market Development Program budget includes \$1,088,085 for direct financial assistance projects. At the time of this meeting, there is a balance of \$521,162 in this budget category. Should the members make awards at this meeting as recommended, the fiscal year closing balance for the direct financial assistance budget category would be \$49,562.

KT:ge

State Environmental Improvement and Energy Resources Authority
306th Board Meeting
June 13, 2013

Agenda Item #4B(ii)

**MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE – FUNDING RECOMMENDATION FOR
MISSOURI ORGANICS RECYCLING, INC.**

Issue:

Missouri Organics Recycling, Inc., located in Kansas City, requested \$46,598.25 to purchase equipment that would enable the company to transform large quantities of waste wood that will be generated by the Emerald Ash Borer destruction of ash trees in the region into dimensional lumber.

Action Needed:

Consideration of the funding recommendation for the Missouri Organics Recycling, Inc. project.

Staff Recommendation:

Staff recommends awarding Missouri Organics Recycling, Inc. \$46,600 in financial assistance, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Missouri Organics Recycling, Inc., requested \$46,598.25 to purchase equipment costing \$62,131 that would enable the company to transform large quantities of waste wood that will be generated by the Emerald Ash Borer destruction of ash trees in the region into dimensional lumber. Platt and Clay Counties are currently under a USDA quarantine area for the borer. It is estimated that there are as many as 400,000 ash trees in Kansas City and over the next ten years, nearly 100% of them will be affected. Missouri Organics is a family owned business established in 1993 to process organics into beneficial mulch and compost products. The company is a successful past program participant. Missouri Organics is working closely with Kansas City Parks and Recreation Forestry Operations to ensure that the company's capacity can meet the city's needs for the anticipated influx of waste wood. In pursuit of the highest and best use for this wood, Missouri Organics hopes to install a sawmill in order to convert the urban waste wood into urban lumber and will pay the City for each millable log, whereas currently trees removed by the City are typically landfilled. Several area woodworkers have expressed tremendous interest in using this locally generated urban waste to create new products. Missouri Organics anticipates creating one new full time and one new part time employee positions and diverting 1,000 tons from the waste stream annually with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$46,600, not to exceed 75% of the cost of the equipment.

For Fiscal Year 2013, the Missouri Market Development Program budget includes \$1,088,085 for direct financial assistance projects. At the time of this meeting, there is a balance of \$521,162 in this budget category. Should the members make awards at this meeting as recommended, the fiscal year closing balance for the direct financial assistance budget category would be \$49,562.

KT:ge

State Environmental Improvement and Energy Resources Authority
306th Board Meeting
June 13, 2013

Agenda Item #4B(iii)

**MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE- FUNDING RECOMMENDATION FOR
NATURE'S METHANE FARMWORKS**

Issue:

Nature's Methane FarmWorks, located in St. Louis, requested \$250,000 toward the purchase of a biodigester that would convert organic waste into biomethane used to power two gensets to provide electricity for a 56 unit apartment complex and approximately 800,000 diesel gallon equivalents of vehicle fuel annually.

Action Needed:

Consideration of the funding recommendation for the Nature's Methane FarmWorks project.

Staff Recommendation:

Staff recommends awarding Nature's Methane FarmWorks \$250,000 in financial assistance, not to exceed 50% of the cost of the equipment, contingent on the program's receipt of documentation confirming financing for the balance of the project.

Staff Contact:

Kristin Tipton, Development Director

Background:

Nature's Methane FarmWorks, requested \$250,000 toward the purchase of a biodigester that would convert organic waste into biomethane used to power two gensets to provide electricity for a 56 unit apartment complex and approximately 800,000 diesel gallon equivalents of vehicle fuel annually. Nature's Methane FarmWorks is a newly formed Missouri entity and subsidiary of Nature's Methane of Markle, Indiana. The FarmWorks project includes the completed rehabilitation of an abandoned industrial building and a totally sustainable development project that involves additional building rehabilitation, vegetable growing and an aquaponics operation. Besides the production of market rate electricity, the anaerobic digester project will allow for the reduction of materials headed for a landfill, reduction of greenhouse gas emissions, the use of natural fertilizers and an alternative vehicle fuel produced at a substantial margin below diesel fuel. Nature's Methane FarmWorks anticipates creating three new full time employee positions and diverting 26,000 tons from the waste stream annually with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$250,000, not to exceed 50% of the cost of the

equipment, contingent on the program's receipt of documentation confirming financing for the balance of the project.

For Fiscal Year 2013, the Missouri Market Development Program budget includes \$1,088,085 for direct financial assistance projects. At the time of this meeting, there is a balance of \$521,162 in this budget category. Should the members make awards at this meeting as recommended, the fiscal year closing balance for the direct financial assistance budget category would be \$49,562.

KT:ge

Agenda Item #4B(iv)
MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE –FUNDING RECOMMENDATION FOR
ST. LOUIS GREEN, INC.

Issue:

St. Louis Green, Inc., located in Clayton, requested \$143,300 to purchase equipment costing \$191,150 that would enable the organization to collect and recycle post-consumer expanded polystyrene and to expand its new mattress recycling program.

Action Needed:

Consideration of the funding recommendation for the St. Louis Green, Inc. project.

Staff Recommendation:

Staff recommends awarding St. Louis Green, Inc. \$75,000 in financial assistance, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

St. Louis Green, Inc., requested \$143,300 to purchase equipment costing \$191,150 that would enable the organization to collect and recycle post-consumer expanded polystyrene and to expand its new mattress recycling program. St. Louis Green is a non-profit organization formed in 2005 dedicated to helping people live more sustainable lives. Besides education, the organization partners with the Cardinals and Rams on stadium recycling, has recycled over 60 tons of holiday lights in the past three years, assists corporations with diverting discarded furniture, and recently acquired and expanded the “pots to planks” program the Market Development Program established with the Missouri Botanical Gardens. The new EPS and mattress recycling programs are being established in response to unmet community need and are supported with good material supply streams and end markets. St. Louis Green anticipates creating two full time and four part time employee positions and diverting 2,621 tons from the waste stream annually with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$75,000 not to exceed 75% of the cost of the equipment.

For Fiscal Year 2013, the Missouri Market Development Program budget includes \$1,088,085 for direct financial assistance projects. At the time of this meeting, there is a balance of \$521,162 in this budget category. Should the members make awards at this meeting as recommended, the fiscal year closing balance for the direct financial assistance budget category would be \$49,562.

State Environmental Improvement and Energy Resources Authority
306th Board Meeting
June 13, 2013

Agenda Item #4B(v)
MISSOURI MARKET DEVELOPMENT PROGRAM – FUNDING RECOMMENDATION FOR
LOGANBILL ENTERPRISES, LLC

Issue:

Loganbill Enterprises, LLC, located in Latham, requested \$75,375 towards the purchase of equipment costing \$106,500 to set up an additional shavings mill that would enable the company to produce dried and bagged colored wood shavings primarily marketed to beef and equestrian show participants.

Action Needed:

Consideration of the funding recommendation for the Loganbill Enterprises, LLC project.

Staff Recommendation:

Staff recommends awarding Loganbill Enterprises, LLC, \$50,000 in financial assistance, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Loganbill Enterprises, LLC, requested \$75,375 toward the purchase of equipment costing \$106,500 to set up an additional shavings mill that would enable the company to produce dried and bagged colored wood shavings primarily marketed to beef and equestrian show participants. Loganbill Enterprises is a family owned operation established in 1996 that produces shavings, mulch and compost products from waste wood. The company is a successful past program participant. Loganbill Enterprises has been selling bulk colored shavings to the American Royal for the past five years and at the Missouri State Fair this past year. This exposure has led to several inquiries from across the country about the availability of bagged colored shavings. A separate mill is required because this premium product uses oak rather than the traditional pine shavings required by most users and the materials cannot be mixed as oak can cause health problems for poultry. Loganbill Enterprises anticipates diverting 750 tons of cabinet shop and slab wood waste annually and creating one new full time and one new part time employee positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, awarding Loganbill Enterprises, LLC, \$50,000 in financial assistance, not to exceed 75% of the cost of the equipment. The funding

recommendation is less than the amount requested because the project application scored only enough points to receive a maximum of \$50,000.

For Fiscal Year 2013, the Missouri Market Development Program budget includes \$1,088,085 for direct financial assistance projects. At the time of this meeting, there is a balance of \$521,162 in this budget category. Should the members make all awards at this meeting as recommended, the fiscal year closing balance for the direct financial assistance budget category would be \$49,562.

KT:ge

State Environmental Improvement and Energy Resources Authority
306th Board Meeting
June 13, 2013

Agenda Item #4C
MISSOURI MARKET DEVELOPMENT PROGRAM UPDATE – TECHNICAL ASSISTANCE

Issue:

Atlas Roofing Corporation/EPS Division, located in Perryville, requested \$6,525 for technical assistance to identify sources of expanded polystyrene scrap to sustain and grow its current operation of producing insulation from this material.

Action Needed:

None.

Staff Recommendation:

N/A

Staff Contact:

Kristin Tipton, Development Director

Background:

Atlas Roofing Corporation/EPS Division, requested \$6,525 for technical assistance to identify sources of expanded polystyrene scrap to sustain and grow its current operation of producing insulation from this material. Atlas EPS is a division of Atlas Roofing Corporation, a well-established manufacturer of various roofing products that employs approximately forty people. Atlas EPS specializes in the development and manufacture of expanded polystyrene insulation for construction and packaging products. The goal of this project is to source enough recovered material to avoid substituting virgin materials as the company meets production needs. In 2012, the company was only able to secure enough recovered material to meet thirteen-percent of its production requirements and anticipates a five percent increase in total sales for 2013.

The Missouri Market Development Program Steering Committee, which includes staff from the MDNR, Missouri Department of Economic Development, and the Authority, approved funding this project in the amount of \$6,525.

For Fiscal Year 2013, the Missouri Market Development Program budget includes \$75,000 for technical assistance projects. The Steering Committee has awarded technical assistance projects totaling \$14,025 to date. Staff continues to discuss how to better engage projects with our technical assistance award capacity.

KT:ge

State Environmental Improvement and Energy Resources Authority
306th Board Meeting
June 13, 2013

Agenda Item #5
MISSOURI BROWNFIELDS REVOLVING LOAN FUND UPDATE

Issue:

Update on activities of the MBRLF since the last meeting of the Authority.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Kristin Tipton, Development Director

Background:

Supplemental Funding Request to EPA

Staff submitted to the EPA an RLF Supplemental Funding Request asking for \$500,000 in hazardous substance and \$500,000 in petroleum funds. The notice for the competition indicated that maximum awards would be between \$200,000 and \$500,000 and Staff understands that more petroleum than hazardous substance funds will be awarded. Staff feels strongly, however, that our program provides opportunity and benefit in areas of the state where resources to clean up contaminated properties simply do not exist and hopes that we made a strong case to continue our program. EPA Region 7 staff advises that they agree with our request and will work to support it from their position. At present, funds remaining for loans and subgrants in the program include \$128,051 for hazardous substance and \$65,299 for petroleum.

Update on Active Project Schedules

- Staff is still working with MDNR BVCP to obtain approval on the Remediation Action Plan for the former ACME Battery Plant cleanup project with Remains, Inc. Once approved by MDNR, bids for the project will go out.
- The Remediation Action Plan has been completed for the project with the Lake of the Ozarks Council of Local Governments project and submitted to MDNR BVCP for approval.

- SMI SNF Landlord, LLC continues to repay its loan as scheduled.
- Long term groundwater monitoring continues at the City of Russellville site. Results of this monitoring should be available in the summer of 2013.
- Long term groundwater monitoring continues at the Ranken Technical College site. Results of this monitoring should be available in the summer of 2013.
- Staff learned that a "Certificate of Completion" has been issued by MoDNR for the City of Chillicothe project, but that it has not been filed with the property title chain. Staff has attempted to contact the City Administrator about this issue.
- Staff is negotiating agreement details for the projects with the Land Reutilization Authority of the City of St. Louis and with Ivanhome. We are anticipating a request from Ivanhome to expand our project to remove a previously undetected underground storage tank that was discovered on the property.
- Staff has been in contact with Great Southern Bank, who acquired the Laclede Power building in the foreclosure with MDLPG, Inc. and has learned that the property will be under contract with a new developer by month's end.

KT:ge

State Environmental Improvement and Energy Resources Authority
305th Board Meeting
June 13, 2013

Agenda Item #8
ELECTION OF OFFICERS

Issue:

By-laws require elections of Officers at first meeting of the Authority held after June 1st each year.

Action Needed:

Election of Officers.

Staff Recommendation:

None.

Staff Contact:

Andrew Combs

Background:

The By-Laws of the Authority state that the election of Officers take place at the first meeting of the Authority held after June 1st of each year. Article II, Section 1 states that the officers of the Authority shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. Other than the Chair and Vice Chair, any two of more offices may be held by the same person.

If you wish to review the By-laws, Article III contains the duties of each office.

AC:ge

Attachment

Attachment "A"

BYLAWS OF THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

ARTICLE I

Section 1

Name of the Authority: The name of the Authority shall be "State Environmental Improvement and Energy Resources Authority."

Section 2

Seal of the Authority: The seal of the Authority shall consist of two concentric circles and shall bear the inscription "State Environmental Improvement and Energy Resources Authority, Missouri, Corporate Seal, 1973."

Section 3

Office of the Authority: The principal office of the Authority shall be located in the State of Missouri at such place as the Authority may from time to time designate by resolution. In the absence of establishment of a permanent principal office, the Authority may, by resolution, establish a temporary principal office at such place as it shall designate. The Authority may also have office at such other place or places within the State of Missouri as it may from time to time designate by resolution.

ARTICLE II

Section 1

Officers: The officers of the Authority shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. Such assistant officers as may be deemed necessary may be elected or appointed by the Authority. The powers and duties of such assistant officers shall be as provided herein and as provided from time to time by resolutions of the Authority. Any two or more offices (except the offices of Chair and Vice Chair) may be held by the same person.

Section 2

Chair: The Chair shall be elected by the Authority, be a member of the Authority and shall serve until a successor is duly elected and qualified.

Section 3

Vice-Chair: The Vice-Chair shall be elected by the Authority, be a member of the Authority and shall serve until a successor is duly elected and qualified.

Section 4

Secretary: The Secretary shall be elected by the Authority. The Secretary need not be a member of the Authority and shall serve at the pleasure of the Authority. The office of Secretary may be combined with that of Treasurer.

Section 5

Treasurer: The Treasurer shall be elected by the Authority. The Treasurer need not be a member of the Authority and shall serve at the pleasure of the Authority. The office of Treasurer may be combined with that of Secretary.

Section 6

Election and Term of Office: The officers of the Authority shall be elected by the members of the Authority at the first meeting of the Authority held after June 1st of each year. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his/her successor has been duly elected and qualified or death or until resignation or removal in the manner hereinafter provided. Each officer shall be eligible for re-election to such office.

Section 7

Removal: Any officer, employee or agent elected or appointed by the Authority may be removed by the Authority whenever in its judgment the best interest of the Authority would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 8

Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by election by the members of the Authority for the unexpired portion of the term.

ARTICLE III

The respective officers of the Authority shall have the following authority, powers and duties.

Section 1

The Chair: The Chair shall be chief executive officer of the Authority and shall preside at all meetings of the Authority and shall perform all duties commonly incident to the position of presiding officer of a board, commission, or corporation and shall have authority without impairment of any authority specifically granted by the Authority to other persons, to sign all contracts, instruments, documents and official orders of the Authority. The Chair shall have general supervision over the business and affairs of the Authority, subject to the direction of the Authority, and shall perform such other and further duties as the Authority, by formal resolution, may from time to time provide.

Section 2

Vice-Chair: The Vice-Chair shall perform duties and have the authority of the Chair during the absence or disability of the Chair, and shall preside at the meetings of the Authority when and while the Chair shall vacate the chair. The Vice-Chair shall perform such other and further duties and have such other and further authority as the Authority may, by formal resolution or motion, from time to time provide.

Section 3

Secretary: The Secretary shall keep the official records and seal of the State Environmental Improvement and Energy Resources Authority and shall certify, when required, to copies of records. The Secretary shall attend all meetings of the Authority and keep a full and true record of its proceedings, which shall include the date, time, place, members present, members absent, and a record of votes taken indicating the vote as cast by each member present, all as required by Section 610.020.6 of the Revised Statutes of Missouri and such other information as the Secretary deems appropriate. The Secretary shall issue all official notices and prepare all papers and reports for the meetings of the Authority. The Secretary shall perform such other duties as the Authority may assign from time to time. If the Secretary is absent or unable to act, then the Assistant Secretary, if one has been appointed, shall perform all duties of the Secretary including but not limited to the execution and delivery of any instruments, documents, or papers of the Authority. The Assistant Secretary shall perform such other and further duties and have such other and further authority as the Authority may, by formal resolution or motion, from time to time provide.

Section 4

Treasurer: The Treasurer shall have supervision of the funds, securities, receipts and disbursements of the Authority, cause all monies and other valuable effects of the Authority to be deposited in its name and to its credit in such depositories as shall be selected by the Authority or pursuant to authority conferred by the Authority, cause to be kept at the office of the Authority correct books of account, proper vouchers and other papers pertaining to the corporation's business, render to the Chair of the Authority, whenever requested, an account of the financial condition of the Authority and of his/her transactions as Treasurer, and, in general, perform all duties and have all powers incident to the office of Treasurer and perform such other duties and have such other powers as from time to time may be assigned by the By-laws, the Chair, or the Authority.

Section 5

Assistant Officers: The powers and duties of such assistant officers as shall be elected or appointed by the Authority shall be as provided from time to time by resolutions of the Authority.

ARTICLE IV

Section 1

Director: The Director, under the direction of the Chair, or the Authority, shall have general supervision over and be in administrative charge of all the activities of the Authority, and, in addition, shall perform all the duties incident to this position and office. Except as otherwise provided by resolution of the Authority, the Director shall make final certification for payment of all duly authenticated and authorized items of expenditure for payment from any Authority funds from whatever source derived, and whenever the Chair is required to sign vouchers, requisitions and other instruments made by the Authority, the Director shall approve the same for submission to the Chair for signature. The Director shall assist the Secretary or Treasurer in the performance of their duties and shall have the full power to act in the place and instead of the Secretary at any time as may be directed by the Chair, the Secretary or the Authority. The Director shall act as or appoint an employee of the Authority to act as custodian who will be responsible for the maintenance of the Authority's records and said

Custodian will make said records available for inspection and copying by the public, all pursuant to the requirements of Section 610.023, 610.024 and 610.026 of the Revised Statutes of Missouri and the Director shall be responsible for seeing that the Authority complies with the other requirements of the Missouri open meetings and records law as set out in Chapter 610 of the Revised Statutes of Missouri.

Section 2

General Counsel: The General Counsel shall, as directed by the Director or Authority, recommend legal directives with respect to Authority activities, advise the Director, officers and members of the Authority as to all legal matters relating to the administration, operations and financing of the Authority and as to the laws governing the acquiring and constructing of projects, and the issuing of bonds and notes as provided to pay the cost of projects. General Counsel shall draft, examine, or approve as to legal compliance all forms, contracts, or other documents necessary for all phases of the Authority's work or purposes and shall coordinate with and assist Bond Counsel in the preparation of all documents related to the sale of Authority obligations and the investment of the proceeds; shall render regular opinions on such matters relating to the Authority as may be requested by the Director, Chair, members, or officers of the Authority. In addition, General Counsel shall perform such other services incident thereto and shall undertake such other duties as from time to time may be assigned by the Director or Chair or the Authority.

Section 3

Appointment: The Director and General Counsel shall be appointed and/or retained by the Authority on such terms as the Authority shall specify and shall serve at the pleasure of the Authority.

Section 4

Additional Personnel: The Director with approval from the Authority may from time to time employ such other personnel as may be necessary to exercise the Authority's powers, duties and functions as prescribed by law. Persons so appointed shall serve at the pleasure of the Director and Authority. The selection and compensation of such personnel shall be determined by the Authority based on the Authority personnel and compensation policies subject to the laws of the State of Missouri. The Authority may also from time to time retain or contract for the services of architects, engineers, accountants, attorneys, bond counsel, financial consultants, and such other persons, firms or corporations necessary to carry out its duties and to fix the compensation thereof.

ARTICLE V

Section 1

Regular Meetings: A regular meeting of the Authority for the transaction of all business as may properly come before the meeting shall be held not less frequently than once each quarter of the calendar year at the principal office of the Authority or legal counsel or at such other place within or without the State of Missouri, which is reasonably accessible by the public, as is designated in the notice of the regular meeting. The Chair in consultation with the Authority members may fix the regular meeting date, hour and place, and, each member shall be notified at least one (1) week prior to the date fixed for the regular meeting by telephone call or in writing by letter, e-mail or other means of electronic communication (if by

mail, notice shall be deemed adequate if deposited in the United States mail one (1) week prior to the meeting date).

Section 2

Special Meetings: In addition to the regular meetings of the Authority held pursuant to Section 1 of this Article V, the Chair may when necessary call a special meeting for the transaction of all business as may properly come before the meeting, or the Chair shall call a special meeting when requested to do so by any two members. Notice of special meetings shall be given at least five (5) days before the date set for the meeting by telephone call or in writing by letter, e-mail or other means of electronic communication (if by mail, notice shall be deemed adequate if deposited in the United States mail five (5) days prior to the meeting date). The special meeting shall be held at the principal office of the Authority or legal counsel or at such other place within or without the State of Missouri, which is reasonably accessible to the public and at such time as is reasonably convenient to the public, which shall be designated in the notice of the special meeting. At any special meeting any business shall be in order, whether or not stated in the notice of the meeting.

Section 3

Public Notice of Meetings: In addition to the notice of meetings sent to members of the Authority as provided above, at least 24 hours prior to an Authority meeting, a notice of the meeting shall be prominently posted in the office of the Authority in a part of the office accessible by the public and designated for posting such notices and such notice shall also be made available to the press and the public as requested and shall be published in such publications of the state as are normally utilized by state agencies to publish notice of agency meetings. The notice shall include the time, date and place of the meeting and shall state whether or not the meeting is to be an open or closed meeting and shall state the tentative agenda for the open meeting, all as required by Section 610.020 of the Revised Statutes of Missouri.

Section 4

Quorum: Three (3) members of the Authority shall constitute a quorum and the affirmative vote of three (3) members shall be necessary and sufficient for any action by the Authority. The Chair shall have a vote on all issues.

Section 5

Proxies: Proxies to vote with respect to any matter shall not be allowed or accepted.

Section 6

Register: The Secretary shall maintain a register of the address of each member. Notice by mail, e-mail or other means of electronic communication sent to the address as shown by the Secretary's records shall be effective. Any member who desires to receive notice at a different temporary or permanent address shall notify the Secretary who shall modify the records accordingly.

Section 7

Meeting by Telephone or Other Electronic Means: Members may participate in a meeting of the Authority by means of conference telephone or other electronic means whereby all individuals participating in the meeting, including the public attending the

meeting, can hear each other, and any member participating in a meeting of the Authority in such manner shall be considered present at such meeting for all purposes including for quorum purposes.

ARTICLE VI

Section 1

Contracts: The Authority may authorize the Director, any officer or officers, assistant officer or assistant officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

Section 2

Loans: No loan shall be contracted on behalf of the Authority and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Authority. Such authority may be general or confined to specific instances.

Section 3

Checks, Drafts, or Orders: All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents of the Authority or Director and in such manner as shall from time to time be determined by resolution of the Authority.

Section 4

Deposits: All funds of the Authority not otherwise invested or employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the Authority may select.

ARTICLE VII

The Authority, its officers and members shall have such additional and further rights, powers and duties as by law may or hereafter be permitted.

ARTICLE VIII

Section 1

Power to Indemnify in Action, Suits or Proceedings other Than Those by or in the Right of the Authority: To the extent not otherwise covered by Sec. 105.711 – Sec. 105.726 RSMo. 1986, as amended or supplemented or any other statute, agreement or otherwise, and subject to Section 3 of this Article VIII, the Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Authority, by reason of the fact that the person is or was a member, officer, director or employee of the Authority against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had no reasonable cause to

believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

Section 2

Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Authority: To the extent not otherwise covered by Sec. 105.711 – Sec. 105.726 RSMo. 1986, as amended or supplemented or any other statute, agreement, or otherwise and subject to Section 3 of this Article VIII, the Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Authority to procure a judgment in its favor by reason of the fact that the person is or was a member, officer, director or employee of the Authority, or is or was serving at the request of the Authority against expenses, including attorney's fees, and amounts paid in settlement actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Authority unless and only to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 3

Authorization of Indemnification: Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Authority as authorized in the specific case upon a determination that indemnification of the member, officer, director or employee is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VIII. Such determination shall be made (i) by the members by a majority vote of a quorum consisting of members who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested members so directs by independent legal counsel in a written opinion. To the extent, however, that a member, officer, director or employee of the Authority has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, that person shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by that person in connection therewith.

Section 4

Further Indemnification: To the extent determined by the members, the Authority shall have the power to give any further indemnity, to the fullest extent permitted by law, in addition to the indemnity authorized or contemplated by Sections 1, 2 and 3 of this Article VIII to any person who is or was a member, officer, director, employee or agent, or to any person who is or was serving at the request of the Authority as a member, officer, director or employee of the Authority.

Section 5

Good Faith Defined: For purposes of any determination under Section 3 of this Article VIII, a person shall be deemed to have acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Authority, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe the person's conduct was unlawful, if the person's action is based on the records or books of account of the Authority, or on information supplied to the person by the Director or employees or agents of the Authority in the course of their duties, or on the advice of legal counsel for the Authority or on information or records given or reports made to the Authority by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Authority. The provisions of this Section 5 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VIII.

Section 6

Indemnification by Order of Court: Notwithstanding any contrary determination in the specific case under Section 3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any member, officer, director or employee may apply to any court of competent jurisdiction in the State of Missouri for an order requiring the indemnification of such member, officer, director or employee, to the extent otherwise permissible under Sections 1 and 2 of this Article VIII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the member, officer, director or employee is proper in the circumstances because the person has met the applicable standards of conduct set forth in Sections 1 and 2 of this Article VIII. Notice of any application for indemnification pursuant to this Section 6 shall be given to the Authority promptly upon the filing of such application.

Section 7

Expenses Payable in Advance: Expenses incurred by a member, officer, director or employee in defending a civil or criminal action, suit or proceeding may be paid by the Authority in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the member, officer, director or employee to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the Authority as authorized in this Article VIII.

Section 8

Non-Exclusivity and Survival of Indemnification: The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, Bylaw, agreement, vote of disinterested members or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding such office, it being the policy of the Authority that indemnification of the persons specified in Section 1 and 2 of this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Sections 1 or 2 of this Article VIII but whom the Authority has the power or obligation to indemnify. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to the person who has ceased to

be a member, officer, director or employee and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 9

Insurance: The Authority may purchase and maintain insurance on behalf of any person who is or was a member, officer, director or employee of the Authority, or is or was serving at the request of the Authority as a member, officer, director or employee of the Authority against any liability asserted against the person and incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the Authority would have the power to indemnify the person against such liability under the provisions of this Article VIII.

Section 10

Right to Hire Counsel: Notwithstanding anything to the contrary in this Article VIII, statute or otherwise, a member, officer, director or employee of the Authority shall retain the right to hire counsel of said person's choosing.

Section 11

Meaning of "Authority" for Purposes of Article VIII: For purposes of this Article VIII, references to "the Authority" shall include, in addition to the resulting Authority, any constituent Authority (including any constituent of a constituent) absorbed in consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its members, officers, directors and employees, so that any person who is or was a member, officer, director or employee of such constituent Authority, or is or was serving at the request of such constituent Authority as a member, officer, director or employee shall stand in the same position to the resulting or surviving Authority as such person would have with respect to such constituent Authority if its separate existence had continued.

ARTICLE IX

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted by the Authority at any regular meeting or at any special meeting, after a public hearing has been held on such proposed altered, amended or repealed Bylaws.

**307th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**July 25, 2013
10:00 a.m.**

**Department of Natural Resources Elm Street Conference Center
1730 East Elm Street
Bennett Spring Conference Room
Jefferson City, Missouri**

Second Revised Agenda

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 306th Meeting of the Authority Held June 13, 2013, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Update
 - B. Consideration and Approval of a Resolution Adopting the Post Issuance Compliance Policy Related to State Revolving Fund Bond Issues
 - C. Selection of Book Running Senior Managing Underwriter for Potential SRF Bond Refunding
 - D. Other
4. Missouri Market Development Program
 - A. Consideration and Approval of the Financial Assistance Application for Loganbill Enterprises, LLC
 - B. Other
5. Brownfields Revolving Loan Fund
 - A. Update
 - B. Other
6. Adoption of Fiscal Year 2014 Budgets
7. Other Business
 - A. Next Meeting Date (September 12, 2013)
 - B. Opportunity for Public Comment (Limit of Four Minutes per Individual)

C. Other

8. Closed Meeting Pursuant to Section 610.021(1), (2), (3) and (11) RSMo. (as needed)
9. Adjournment of Closed Meeting and Return to Open Meeting
10. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (2), (3) or (11) RSMo.

Members to be Present:	Andy Dalton, Chair Ryan Doyle, Vice-Chair LaRee DeFreece, Secretary Deron Cherry, Treasurer
Staff to be Present:	Karen Massey, Director Joe Boland, Deputy Director Kristin Allan Tipton, Development Director Genny Eichelberger, Office Support Assistant Andrew Combs, Intern
Legal Counsel to be Present:	Beverly A. Marcin Lewis, Rice & Fingersh, L.C.

State Environmental Improvement and Energy Resources Authority
307th Board Meeting
July 11, 2013

Agenda Item #3B
POST ISSUANCE COMPLIANCE POLICY FOR STATE REVOLVING FUND BONDS

Issue:

Over the past year and a half, the Internal Revenue Service has strongly encouraged issuers to adopt and follow written procedures for monitoring tax and securities law compliance after bonds are issued.

Action Needed:

Consideration and adoption of a Post Issuance Compliance Policy for Bonds issued under the State Revolving Fund Program.

Staff recommendation:

Staff recommends that the Board adopt the attached Post Issuance Compliance Policy.

Staff Contact:

Joe Boland

Background:

You will find attached a policy that outlines post issuance compliance procedures for State Revolving Fund (SRF) bond transactions. This policy will include a listing of compliance procedures for pooled financing programs such as the SRF.

These compliance procedures are designed to monitor a number of tax and securities law requirements, designate the Authority's official Bond Compliance Officer (Deputy Director) and specify the contents of bond file they must maintain. Additionally:

- For each new transaction, the Authority must maintain a complete bond file and confirm on an annual basis that the investment and expenditure of bond proceeds are still being used for a proper governmental purpose.
- For existing bonds, the Compliance Officer must assemble as much of the required tax exempt file as possible, inform the borrower of their duties under the Tax Compliance Agreement and request an annual confirmation from the borrower that the terms of the applicable Tax Agreement are being followed. Should any deficiencies in compliance be identified, the Compliance Officer will work with the borrower and Bond Counsel to resolve the issue.

JB:ge

Attachments

**STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY**

**STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE**

Dated as of July 11, 2013

**STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE**

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**STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE**

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

“Authority Annual Compliance Checklist” means a questionnaire and/or checklist described in **Section 6.2** and in the form attached as **Exhibit B**, or any replacement form as requested by Bond Counsel and approved by the Bond Compliance Officer, to be completed each year by the Bond Compliance Officer.

“Authority” means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri.

“Bond Compliance Officer” means the Authority’s Deputy Director or, if the position of Deputy Director is vacant, the person filling the responsibilities of the Deputy Director for the Authority.

“Bond Counsel” means a law firm selected by the Authority to provide a legal opinion regarding the tax status of interest on the Tax-Exempt Bonds as of the issue date or the law firm selected to advise the Authority on matters referenced in this Compliance Procedure.

“Bond Restricted Funds” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Exempt Bonds.

“Bond Transcript” means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Tax-Exempt Bonds.

“Clean Water Commission” means the Clean Water Commission of the State of Missouri.

“Clean Water Loan” means a loan made to Clean Water Participants pursuant to the Clean Water SRF Direct Loan Program or the Clean Water SRF Leveraged Loan Program.

“Clean Water Participant” means a Missouri governmental entity that participates in the Clean Water SRF Direct Loan Program or the Clean Water SRF Leveraged Loan Program.

“Clean Water SRF Direct Loan Program” means DNR’s State of Missouri Direct Loan Program created in cooperation with the Clean Water Commission to provide financial assistance to Clean Water Participants to finance publicly owned wastewater treatment and sanitary sewerage facilities.

“Clean Water SRF Leveraged Loan Program” means the Missouri Leveraged State Clean Water Revolving Fund Program created by cooperative agreement among the Authority, DNR and the Clean Water Commission to provide financial assistance to Drinking Water Participants to finance publicly owned wastewater treatment and sanitary sewerage facilities.

“Code” means the Internal Revenue Code of 1986, as amended.

“Compliance Procedure” means this State Revolving Funds Programs Tax Compliance Procedure.

“Cost” or “Costs” means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Project Facility or costs of issuing Tax-Exempt Bonds for a Project Facility.

“DNR” means the Missouri Department of Natural Resources, a department of the State of Missouri.

“Drinking Water Commission” means the Safe Drinking Water Commission of the State of Missouri.

“Drinking Water Loan” means a loan made to a Drinking Water Participant pursuant to the Drinking Water SRF Direct Loan Program or the Drinking Water SRF Leveraged Loan Program.

“Drinking Water Participant” means a Missouri governmental entity or nonprofit corporation that participates in the Drinking Water SRF Direct Loan Program or the Drinking Water SRF Leveraged Loan Program.

“Drinking Water SRF Direct Loan Program” means DNR’s State of Missouri Direct Loan Program created in cooperation with the Drinking Water Commission to provide financial assistance to Drinking Water Participants to finance publicly and privately owned drinking water treatment facilities.

“Drinking Water SRF Leveraged Loan Program” means the Missouri Leveraged State Drinking Water Revolving Fund Program created by cooperative agreement among the Authority, DNR and the Safe Drinking Water Commission to provide financial assistance to Drinking Water Participants to finance publicly and privately owned drinking water treatment facilities.

“Final Written Allocation” means the Final Written Allocation of Tax-Exempt Bond proceeds pursuant to **Section 7.4** or of Participant Loan proceeds pursuant to **Section 5.4**.

“Financed Assets” means that part of a Project Facility treated as financed with proceeds of a Participant Loan as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Trustee, the Authority or the Participant, as the case may be, and the Tax Compliance Agreement for the Tax-Exempt Bonds.

“Intent Resolution” means a resolution of the Authority or the Participant stating (1) the intent of the Authority or the Participant to finance all or a portion of the Project Facility, (2) the expected maximum size of the financing, and (3) the intent of the Authority or Participant to reimburse Costs of the Project Facility paid by the Authority or the Participant from proceeds of a Tax-Exempt Bond.

“IRS” means the Internal Revenue Service.

“Participant” means a Clean Water Participant or a Drinking Water Participant.

“Participant Annual Compliance Checklist” means a questionnaire and/or checklist described in **Section 6.1** that is completed each year by each Participant.

"Participant Bond Compliance Officer" means the individual officer or employee of the Participant named as the primary individual responsible for post-issuance tax compliance by the Participant in connection with its Participant Loan.

"Participant Closing Certificate" means the closing certificate executed by the Participant in connection with the closing of the Participant Loan.

"Participant Loan" means a Clean Water Loan or a Drinking Water Loan.

"Placed In Service" means the date when the Project Facility is substantially complete and in operation at substantially its design level, as determined by the Participant Bond Compliance Officer or, in the absence of appropriate action by the Participant Bond Compliance Officer, by [the Bond Compliance Officer in consultation with DNR].

"Project Facility" means all tangible or intangible property financed in whole or in part with proceeds of a Participant Loan that are (1) functionally related or integrated in use, (2) located on the same physical site or proximate sites, and (3) expected to be Placed In Service within a one-year period of each other.

"Rebate Analyst" means the rebate analyst for the Tax-Exempt Bonds selected pursuant to the Tax Compliance Agreement.

"Regulations" means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

"Requisition" means a Clean Water Reimbursement Form or Drinking Water Reimbursement Form, submitted by a Participant and approved by DNR for each disbursement of Participant Loan proceeds.

"State Revolving Funds Programs" means, collectively, the Clean Water SRF Direct Loan Program, the Clean Water SRF Leveraged Loan Program, the Drinking Water SRF Direct Loan Program and the Drinking Water SRF Leveraged Loan Program.

"Tax Compliance Agreement" means a Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Authority or the Participant (including Article V or similar article of a Purchase Agreement between the Participant and DNR or Exhibit to a Participant Closing Certificate), setting out representations and covenants for satisfying the post-issuance tax compliance requirements for the Tax-Exempt Bonds.

"Tax-Exempt Bonds" means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Authority, the proceeds of which are to be loaned or otherwise made available to DNR to finance Participant Loans, and the interest on which is excludable from gross income for federal income tax purposes. A list of all Tax-Exempt Bonds outstanding and subject to this Compliance Procedure as of July 1, 2013, is attached as **Exhibit A**.

"Tax-Exempt Bond File" means documents and records which may consist of paper and electronic medium, maintained for the Tax-Exempt Bonds. Each Tax-Exempt Bond File will include the following information if applicable:

- (a) Intent Resolution. (Duplicate Copy Maintained by Bond Compliance Officer)
- (b) Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)

- (c) For each Participant Loan, a Final Written Allocation and/or all available accounting records related to the Project Facility showing expenditures allocated to the proceeds of the Participant Loan and expenditures (if any) allocated to other sources of funds.
- (d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculations.
- (e) Forms 8038-T together with proof of filing and payment of rebate. (Duplicate Copy Maintained by Bond Compliance Officer)
- (f) Investment agreement bid documents (unless included in the Bond Transcript) including:
 - (1) bid solicitation, bid responses, certificate of broker;
 - (2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
 - (3) copies of the investment agreement and any amendments.
- (g) Any item required to be maintained by the terms of the Tax Compliance Agreement and Participant's Tax Compliance Agreement involving the use of the Project Facility or expenditures related to tax compliance for the Tax-Exempt Bonds.
- (h) Any opinion of Bond Counsel regarding the Tax-Exempt Bonds not included in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (j) Any correspondence with the IRS relating to the Tax-Exempt Bonds including all correspondence relating to an audit by the IRS of the Tax-Exempt Bonds or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP). (Duplicate Copy Maintained by Bond Compliance Officer)
- (k) All completed Authority Annual Compliance Checklists and Participant Annual Compliance Checklists and any other questionnaires or correspondence substantiating compliance with the post-issuance tax requirements.
- (l) For refunding bond issues, the Tax-Exempt Bond File for the refunded Tax-Exempt Bonds.

"Trustee" means the corporate trustee named in a trust indenture or other similar document included in the Bond Transcript for the Tax-Exempt Bonds or the "Paying Agent" within the meaning of the documents executed by a Participant, DNR and the Paying Agent in connection with a Participant Loan made under the Clean Water SRF Direct Loan Program or the Drinking Water SRF Direct Loan Program.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) Authority's Use of Tax-Exempt Bonds. The Authority issues Tax-Exempt Bonds and funds Participant Loans or makes the proceeds available to DNR to fund, or reimburse DNR for funding of, certain Participant Loans, the proceeds of which finance Costs of a Project Facility. The Authority understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Exempt

Bonds and the Project Facility financed by the Tax-Exempt Bonds. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project Facility.

(b) IRS Recommends Separate Written Procedures. The Authority recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have separate written procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds.

(c) Authority Commitment. The Authority is committed to full compliance with the federal tax law requirements for all of its outstanding and future issues of Tax-Exempt Bonds. This Compliance Procedure is adopted by the Authority to comply with IRS directives and to improve federal tax law compliance and documentation. Because each Participant is primarily responsible for the expenditure and investment of proceeds of its Participant Loan and the use of its Project Facility, this Compliance Procedure provides that each Participant will assume substantially all obligations related to post-issuance compliance for its Participant Loan. The Authority will assume responsibility for annually monitoring each Participant's compliance with the post-issuance tax requirements through use of the Participant Annual Compliance Checklists. The Authority will assume responsibility for ensuring compliance with the remaining post-issuance tax requirements for all Tax-Exempt Bonds primarily consisting of compliance with the arbitrage and rebate requirements.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to all Participant Loans, both currently outstanding and issued in the future, and all Tax-Exempt Bonds, both currently outstanding and issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement or any specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Authority or a Participant in the Tax Compliance Agreement will be noted by the Bond Compliance Officer and incorporated into the Authority Annual Compliance Checklist and/or the Participant Annual Compliance Checklist.

Section 2.3. Amendments and Publication of Compliance Procedure. This Compliance Procedure may be amended from time-to-time by the Authority. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Authority.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with the Participants through each Participant Bond Compliance Officer, DNR and the Trustee to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Participants, DNR, Bond Counsel, legal counsel to the Authority, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report to the Authority as necessary, and at least annually, regarding implementation of this Compliance Procedure and any recommended changes or amendments to this Compliance Procedure.

Section 3.2. Training.

(a) Training Programs. When appropriate, the Bond Compliance Officer and/or other employees of the Authority under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding Tax-Exempt Bonds that are relevant to the Authority.

(b) Change in Bond Compliance Officer. Any time an individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the Authority will ensure the incoming individual acting as Bond Compliance Officer is trained on how to implement the policies and procedures included in this Compliance Procedure to ensure the Authority's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

ARTICLE IV

COMPLIANCE PROCEDURE FOR PARTICIPANT LOANS CURRENTLY OUTSTANDING

Section 4.1. Participant Loans Covered by Article IV Procedures. This Article IV applies to all Participant Loans issued prior to the date of this Compliance Procedure that are currently outstanding.

Section 4.2. Participant Contact. As soon as reasonably practical the Bond Compliance Officer will send to each Participant a copy of the Participant's Tax Compliance Agreement along with a letter reminding the Participant that pursuant to the Participant's Tax Compliance Agreement the Participant is responsible for post-issuance tax compliance related to record keeping, use of Participant Loan proceeds, and use of the Project Facility. [[As applicable, the letter will contain a list of records comprising the Tax-Exempt Bond File that the Participant should retain for the Participant Loan.]]

Section 4.3. Annual Certification From Each Participant. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will request each Participant to confirm annually in writing its compliance with the terms of the Participant's Closing Certificate for the Participant Loan through use of a Participant Annual Compliance Checklist. The Bond Compliance Officer will use best efforts to obtain a completed Participant Annual Compliance Checklist from each Participant and will retain the completed Participant Annual Compliance Checklist in the Tax-Exempt Bond File for the longer of the term of the Participant Loan or the Tax-Exempt Bond allocable to financing the Participant Loan (if any) plus three years.

Section 4.4. Correcting Prior Deficiencies in Compliance. If a Participant informs the Bond Compliance Officer of a deficiency in compliance with Participant's Tax Compliance Agreement for an outstanding Participant Loan allocable to an outstanding Tax-Exempt Bond listed on **Exhibit A**, the Bond Compliance Officer will consult with Bond Counsel and, as necessary or appropriate, follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Authority to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Director of the Authority and obtaining the approval of the Director and/or the Authority, as deemed appropriate.

ARTICLE V

COMPLIANCE PROCEDURE FOR NEW PARTICIPANT LOANS

Section 5.1. Application. This Article V applies to Participant Loans made on or after the date of this Compliance Procedure.

Section 5.2. Prior to Issuance of Participant Loan.

(a) **Intent Resolution.** Prior to or as a part of the Participant Loan authorization process, the Participant may adopt an Intent Resolution. The Authority expects that Participants will usually adopt an Intent Resolution as part of their election call proceedings.

(b) **Participant's Tax Compliance Agreement.** For each Participant Loan, a Participant's Tax Compliance Agreement, including covenants related to the Participant's compliance with the post-issuance tax requirements, will be signed by the Participant Bond Compliance Officer or other duly authorized officer of the Participant. The Participant's Tax Compliance Agreement will (1) describe the Project Facility and the anticipated Financed Assets, (2) for new money financings, require the Participant to complete a Final Written Allocation, and (3) contain a form of the Participant Annual Compliance Checklist for the Participant Loan. The Participant Bond Compliance Officer is expected to confer with the Bond Compliance Officer and Bond Counsel or local bond counsel to the Participant regarding the meaning and scope of each representation and covenant contained in the Participant's Tax Compliance Agreement.

(c) **Participant Loans: Preliminary Cost Allocations.** The Participant Bond Compliance Officer in consultation with DNR[and the Bond Compliance Officer], will prepare a preliminary cost allocation plan for the Project Facility to be funded from proceeds of a Participant Loan. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and when necessary, will break-out the portions of Costs that are expected to be financed with proceeds of the Participant Loan and the portions, if any, expected to be financed from other sources. [[DRAFTING NOTE: it is expected that the allocation of costs in the due diligence questionnaire will meet this requirement]]

Section 5.3. Final Written Allocation of Participant Loan Proceeds. The Participant's Tax Compliance Agreement will include the Participant's agreement that its file of all Requisitions and supporting invoices provided to DNR with respect to the use of Participant Loan proceeds constitutes the Participant's Final Written Allocation of the application of proceeds of the Participant Loan to the Financed Facility. In addition, the Bond Compliance Officer may access DNR's compilation of Requisitions and supporting invoices to document the Participant's Final Written Allocation absent receipt of documentation from the Participant. The Participant may, with at least 60 days' prior written notice to, and the written consent of DNR, deliver a revised written reimbursement allocation to DNR if the revised allocation is accompanied by an Opinion of Bond Counsel. However, no revised reimbursement allocation will be made more than 18 months following the later of (A) the date of the expenditure or (B) the date the Financed Facility was Placed In Service, unless an Opinion of Bond Counsel is delivered to DNR and the Authority. For Participant Loans issued only to refund a prior Participant Loan, the Participant Bond Compliance Officer will work with the Bond Compliance Officer or Bond Counsel to prepare and/or document the Final Written Allocation for the Project Facility financed by the refunded Participant Loan and include it as an attachment to the Participant's Tax Compliance Agreement or in the Tax-Exempt Bond File.

Section 5.4. Participant Annual Compliance Checklists; Reviews.

(a) Participant Annual Compliance Checklists. The Participant Bond Compliance Officer will be responsible for assembling and maintaining the information necessary to accurately complete the Participant Annual Compliance Checklist. Upon request of the Bond Compliance Officer, each Participant Bond Compliance Officer will be required to provide a completed Participant Annual Compliance Checklist to the Director, Financial Assistance Center of DNR (and subsequently forwarded by the Director to the Bond Compliance Officer) or directly to the Authority together with any supporting documentation. The Bond Compliance Officer will retain the completed Participant Annual Compliance Checklist in the Tax-Exempt Bond File for the longer of the term of the Participant Loan or the Tax-Exempt Bond allocable to financing the Participant Loan (if any) plus three years.

(b) Review of Participant Annual Compliance Checklist. Each Participant Annual Compliance Checklist will be reviewed by legal counsel to the Participant, the Bond Compliance Officer or Bond Counsel for sufficiency and compliance with the Participant's Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Participant Bond Compliance Officer will execute the Participant's Annual Compliance Checklist.

ARTICLE VI

COMPLIANCE PROCEDURE FOR TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

Section 6.1. Tax-Exempt Bonds Covered by Article VI Procedures. This Article VI applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bonds are listed on **Exhibit A**.

Section 6.2. Tax-Exempt Bond File; Authority Annual Compliance Checklist. As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Exempt Bond File as is available for the Tax-Exempt Bonds listed on **Exhibit A**. As soon as practical, the Bond Compliance Officer will complete an Authority Annual Compliance Checklist for each outstanding Tax-Exempt Bond issue. The Bond Compliance Officer will use reasonable efforts to obtain a completed Participant Annual Compliance Checklist from each Participant. The Bond Compliance Officer will retain the completed Participant Annual Compliance Checklist and Authority Annual Compliance Checklist in the Tax-Exempt Bond File for the longer of the term of the Participant Loan or the Tax-Exempt Bond allocable to financing the Participant Loan (if any) plus three years.

Section 6.3. Correcting Prior Deficiencies in Compliance. In the event of a deficiency in compliance with the Tax Compliance Agreement for an outstanding Tax-Exempt Bond listed on **Exhibit A**, the Bond Compliance Officer will consult with Bond Counsel and, as necessary, follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Authority to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Authority and obtaining its approval.

ARTICLE VII

COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BONDS

Section 7.1. Application. This Article VII applies to Tax-Exempt Bonds issued on or after the date of this Compliance Procedure.

Section 7.2. Prior to Issuance of Tax-Exempt Bonds.

(a) Intent Resolution. The Authority will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of the authorizing resolution, the Authority may adopt an Intent Resolution.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Exempt Bonds so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Authority's costs and expenses incurred to implement this Compliance Procedure. To the extent the Authority relies on or acts at the direction of the Participant, the Tax Compliance Agreement will contain appropriate provision for Authority indemnification by the Participant.

(c) Tax Compliance Agreement. For each Tax-Exempt Bond, the Authority will enter into a Tax Compliance Agreement including covenants related to compliance with the post-issuance tax requirements that will be signed by the Bond Compliance Officer or other duly authorized officer of the Authority. The Tax Compliance Agreement will (1) identify the Participant Loans being financed with proceeds of the Tax-Exempt Bond, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings, assure each Participant is required to complete a Final Written Allocation, and (4) contain a form of the Authority Annual Compliance Checklist. The Bond Compliance Officer will confer with Bond Counsel and the Authority's counsel regarding the meaning and scope of each representation and covenant contained in the Tax Compliance Agreement.

(d) Preliminary Cost Allocations. For each Tax-Exempt Bond issuance, the Bond Compliance Officer will prepare a preliminary cost allocation plan. The preliminary cost allocation plan will identify the Participant Loans or portions thereof to be financed with proceeds of the Tax-Exempt Bonds and the portions of the Participant Loans, if any, expected to be financed from other sources together with the proceeds expected to be used to finance costs of issuing or credit enhancement for the Tax-Exempt Bonds, including funding any reserve funds.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Exempt Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Exempt Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Authority Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Exempt Bonds.

Section 7.3. Accounting and Recordkeeping. The Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds. The Bond Compliance Officer may use accounts established pursuant to a trust indenture for the Tax-Exempt Bonds to assist it in accounting for the investment and expenditure of Tax-Exempt Bonds. For Tax-Exempt Bonds that are issued to refund prior Tax-Exempt Bonds, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced Tax-Exempt Bonds. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File.

Section 7.4. Final Allocation of Bond Proceeds.

(a) Preparation of Final Written Allocation; Timing. The Bond Compliance Officer is responsible for making a written allocation of Tax-Exempt Bond proceeds to Participant Loans and other expenditures. This process will be memorialized in the Final Written Allocation. For a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Participant Loan proceeds from any segregated Tax-Exempt Bond funded account, (2) the date the Project Facilities have been substantially completed or (3) four and one-half years following the issue date of the Tax-Exempt Bonds. For Tax-Exempt Bonds issued only to refund a prior issue of Tax-Exempt Bonds, the Participant Bond Compliance Officer will work with the Participants and Bond Counsel to prepare and/or document the Final Written Allocation for the Project Facility financed by the refunded Tax-Exempt Bonds and include it in the Tax Compliance Agreement.

(b) Contents and Procedure. The Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Exempt Bond proceeds and other money to Participant Loans and other expenditures. If no special allocation is required or recommended, the Bond Compliance Officer will allocate proceeds of the Tax-Exempt Bonds in accordance with the Authority's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to fund Participant Loans, (2) the percentage of each Participant Loan financed with proceeds of the Tax-Exempt Bonds and (3) any special procedures to be followed in completing the Authority Annual Compliance Checklist.

(c) Finalize Authority Annual Compliance Checklist. As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Authority Annual Compliance Checklist contained in the relevant Tax Compliance Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Exempt Bonds in the Authority Annual Compliance Checklist.

(d) Review of Final Written Allocation and Authority Annual Compliance Checklist. Each Final Written Allocation and Authority Annual Compliance Checklist will be reviewed by legal counsel to the Authority or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

ARTICLE VIII

ONGOING MONITORING PROCEDURES

Section 8.1. Annual Compliance Checklists. Both Participant Annual Compliance Checklists and the Authority Annual Compliance Checklist will be completed annually. Each Participant Annual Compliance Checklist and Authority Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Participant's Tax

Compliance Agreement, the Authority's Tax Compliance Agreement and this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project Facility) that are required to be incorporated in the Tax-Exempt Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal counsel to the Authority and Bond Counsel and, if recommended by counsel, will follow the procedure set out in **Section 6.3** to remediate the non-compliance.

Section 8.2. Arbitrage and Rebate Compliance. The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and cause the Trustee to provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ADOPTED BY THE AUTHORITY
July 11, 2013

EXHIBIT A

LIST OF TAX-EXEMPT BONDS COVERED BY THIS COMPLIANCE PROCEDURE

Series	Dated Issued	Final Maturity Date	Original Principal Amount	Description
1993A	9/8/1993	7/1/2015	\$ 22,425,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1994A	8/18/1994	7/1/2015	12,215,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1994B	12/1/1994	7/1/2016	43,230,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1995A	5/2/1995	7/1/2016	17,450,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - City of Branson Project)
1995C	6/29/1995	1/1/2016	30,000,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1995D	6/29/1995	1/1/2017	11,462,661	Capital Appreciation Water Pollution Control Revenue Bonds (State Revolving Fund Program - City of Cape Girardeau Project)
1995E	11/14/1995	7/1/2016	26,410,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1996B	4/25/1996	1/1/2017	4,545,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1996D	6/12/1996	1/1/2019	14,185,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1996E	12/19/1996	1/1/2019	23,600,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1997D	6/5/1997	1/1/2019	24,060,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1997E	12/3/1997	1/1/2019	14,015,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Master Trust)
1997F	12/3/1997	1/1/2018	2,500,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Master Trust)
1998A	4/22/1998	1/1/2019	16,480,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Master Trust)

Series	Dated Issued	Final Maturity Date	Original Principal Amount	Description
1998B	12/2/1998	1/1/2020	45,875,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
1999A	6/3/1999	1/1/2020	47,970,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
1999B	12/2/1999	7/1/2020	13,870,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2000A	4/12/2000	7/1/2021	52,640,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2000B	11/21/2000	7/1/2021	41,485,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2001A	4/18/2001	1/1/2022	13,930,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2001B	6/26/2001	1/1/2019	122,060,000	Water Pollution Control Revenue Refunding Bonds (State Revolving Fund Program - Master Trust)
2001C	11/20/2001	7/1/2023	112,280,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2002A	5/8/2002	1/1/2023	29,545,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2002B	11/7/2002	7/1/2023	103,065,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2003A	1/30/2003	1/1/2024	88,915,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2003B	4/9/2003	1/1/2025	39,940,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2003C	11/20/2003	7/1/2025	27,895,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2004A	3/23/2004	7/1/2021	77,625,000	Water Pollution Control and Drinking Water Revenue Refunding Revenue Bonds (State Revolving Funds Programs)
2004B	5/28/2004	1/1/2027	179,780,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2004C	12/9/2004	1/1/2026	39,895,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)

Series	Dated Issued	Final Maturity Date	Original Principal Amount	Description
2005A	5/19/2005	7/1/2026	53,060,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2005C	11/30/2005	7/1/2027	85,210,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2006A	4/27/2006	7/1/2027	87,505,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2006B	11/16/2006	7/1/2027	22,105,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2007A	5/1/2007	1/1/2028	57,430,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2007B	11/15/2007	1/1/2029	56,720,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2008A	10/30/2008	1/1/2029	69,435,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2010A	2/17/2010	1/1/2024	205,420,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)
2010B	11/17/2010	7/1/2030	65,920,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2011A	11/30/2011	1/1/2025	106,830,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)

EXHIBIT B**SAMPLE ANNUAL COMPLIANCE CHECKLIST
(AUTHORITY)**

Name of tax-exempt bonds ("Bonds"):	_____
Issue Date of Bonds:	_____
Name of Bond Compliance Officer:	_____
Period covered by request ("Annual Period"):	_____

Item	Question	Response
1 Receipt of Participant Annual Compliance Checklists	Has the Bond Compliance Officer received a completed Participant Annual Compliance Checklist from each Participant for the above referenced Tax-Exempt Bond issue for the Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If the Bond Compliance Officer has not received a completed Participant Annual Compliance Checklist from a Participant, contact the applicable Participant and obtain a completed Participant Annual Compliance Checklist, review the Participant Annual Compliance Checklist for any responses which may raise a question regarding compliance with the Post-Issuance Tax Requirements and include a copy of the completed Participant Annual Compliance Checklist in the Tax-Exempt Bond File.	
	If a response from any Participant raises a question regarding compliance with the Post-Issuance Tax Requirements, contact the Authority's legal counsel or Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	
2 Participant Final Written Allocation	For each Participant Project that has been Placed In Service, has a Final Written Allocation been completed for the Participant Project?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "Yes", include a copy of the final Participant Requisition in the Tax-Exempt Bond File. If "No", contact DNR and the applicable Participant Bond Compliance Officer to prepare a Final Written Allocation for the Participant's Project and include a copy of the final Participant Requisition in the Tax-Exempt Bond File.	
3 Arbitrage & Rebate	Have all rebate and yield reduction calculations mandated in the Tax Compliance Agreement been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Bond Compliance Officer: _____**Date Completed:** _____

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION APPROVING AND ADOPTING THE STATE ENVIRONMENTAL
IMPROVEMENT AND ENERGY RESOURCES AUTHORITY SRF PROGRAMS TAX
COMPLIANCE PROCEDURE

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects, and to refund its outstanding revenue bonds in whole or in part; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988, September 22, 1998 and October 27, 2010 (the "Program Resolutions"), the Authority has approved the development and implementation of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "Clean Water SRF Program") and the Missouri Leveraged State Drinking Water Revolving Fund Program (the "Drinking Water SRF Program" and, collectively with the Clean Water SRF Program, the "State Revolving Funds Programs") and has stated its general intent to issue its bonds to finance projects pursuant to the State Revolving Funds Programs; and

WHEREAS, pursuant to the Amended and Restated Interagency Agreement (the "Interagency Agreement") approved at the Authority's October 27, 2010 meeting, the Authority, the Missouri Department of Natural Resources ("DNR"), DEQ-WPP of DNR, the Missouri Clean Water Commission and the Safe Drinking Water Commission have agreed to cooperate in connection with the funding of projects, meeting federal program requirements and financing related costs with respect to the State Revolving Funds Programs; and

WHEREAS, pursuant to the Act and in accordance with the Interagency Agreement, the Authority has financed projects, and intends to finance additional projects, under the State Revolving Funds Programs by issuing tax-exempt revenue bonds and/or notes and desires to approve and adopt a State Revolving Funds Programs Tax Compliance Procedure.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section 1. Financing Compliance Procedure. The Authority hereby approves and adopts the State Revolving Funds Programs Tax Compliance Procedure in substantially the form attached hereto as Exhibit A.

Section 2. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and

execute other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 25th day of July, 2013.

Chairman of the Authority

(Seal)
ATTEST:

Secretary of the Authority

Attachment "A"

Exhibit A

[Form of Compliance Procedure]

**STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY**

**STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE**

Dated as of July 25, 2013

July 25, 2013

**STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE**

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Exhibit A – List of Tax-Exempt Bonds Covered by this Compliance Procedure

Exhibit B – Sample Annual Compliance Checklist (Authority)

Exhibit C – Sample Annual Compliance Checklist (Participant)

**STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE**

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

“Authority Annual Compliance Checklist” means a questionnaire and/or checklist described in **Section 6.2** and in the form attached as **Exhibit B**, or any replacement form as requested by Bond Counsel and approved by the Bond Compliance Officer, to be completed each year by the Bond Compliance Officer.

“Authority” means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri.

“Bond Compliance Officer” means the Authority’s Deputy Director or, if the position of Deputy Director is vacant, the person filling the responsibilities of the Deputy Director for the Authority.

“Bond Counsel” means a law firm selected by the Authority to provide a legal opinion regarding the tax status of interest on the Tax-Exempt Bonds as of the issue date or the law firm selected to advise the Authority on matters referenced in this Compliance Procedure.

“Bond Restricted Funds” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Exempt Bonds.

“Bond Transcript” means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Tax-Exempt Bonds.

“Clean Water Commission” means the Clean Water Commission of the State of Missouri.

“Clean Water Loan” means a loan made to Clean Water Participants pursuant to the Clean Water SRF Direct Loan Program or the Clean Water SRF Leveraged Loan Program.

“Clean Water Participant” means a Missouri governmental entity that participates in the Clean Water SRF Direct Loan Program or the Clean Water SRF Leveraged Loan Program.

“Clean Water SRF Direct Loan Program” means DNR’s State of Missouri Direct Loan Program created in cooperation with the Clean Water Commission to provide financial assistance to Clean Water Participants to finance publicly owned wastewater treatment and sanitary sewerage facilities.

“Clean Water SRF Leveraged Loan Program” means the Missouri Leveraged State Clean Water Revolving Fund Program created by cooperative agreement among the Authority, DNR and the Clean Water Commission to provide financial assistance to Drinking Water Participants to finance publicly owned wastewater treatment and sanitary sewerage facilities.

“Code” means the Internal Revenue Code of 1986, as amended.

“Compliance Procedure” means this State Revolving Funds Programs Tax Compliance Procedure.

“Cost” or **“Costs”** means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Financed Facility or costs of issuing Tax-Exempt Bonds for a Financed Facility.

“DNR” means the Missouri Department of Natural Resources, a department of the State of Missouri.

“Drinking Water Commission” means the Safe Drinking Water Commission of the State of Missouri.

“Drinking Water Loan” means a loan made to a Drinking Water Participant pursuant to the Drinking Water SRF Direct Loan Program or the Drinking Water SRF Leveraged Loan Program.

“Drinking Water Participant” means s Missouri governmental entity or nonprofit corporation that participates in the Drinking Water SRF Direct Loan Program or the Drinking Water SRF Leveraged Loan Program.

“Drinking Water SRF Direct Loan Program” means DNR’s State of Missouri Direct Loan Program created in cooperation with the Drinking Water Commission to provide financial assistance to Drinking Water Participants to finance publicly and privately owned drinking water treatment facilities.

“Drinking Water SRF Leveraged Loan Program” means the Missouri Leveraged State Drinking Water Revolving Fund Program created by cooperative agreement among the Authority, DNR and the Safe Drinking Water Commission to provide financial assistance to Drinking Water Participants to finance publicly and privately owned drinking water treatment facilities.

“Final Written Allocation” means the Final Written Allocation of Tax-Exempt Bond proceeds pursuant to **Section 7.4** or of Participant Loan proceeds pursuant to **Section 5.3**.

“Financed Facility” means that part of a Project Facility treated as financed with proceeds of a Participant Loan as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Trustee, the Authority or the Participant, as the case may be, and the Tax Compliance Agreement for the Tax-Exempt Bonds.

“Intent Resolution” means a resolution of the Authority or the Participant stating (1) the intent of the Authority or the Participant to finance all or a portion of the Project Facility, (2) the expected maximum size of the financing, and (3) the intent of the Authority or Participant to reimburse Costs of the Project Facility paid by the Authority or the Participant from proceeds of a Tax-Exempt Bond.

“IRS” means the Internal Revenue Service.

“Participant” means a Clean Water Participant or a Drinking Water Participant.

“Participant Annual Compliance Checklist” means a questionnaire and/or checklist described in **Section 5.4** and in the form attached as **Exhibit C**, or any replacement form as requested by Bond Counsel and approved by the Bond Compliance Officer, that is completed each year by a Participant.

“Participant Bond Compliance Officer” means the individual officer or employee of the Participant named as the primary individual responsible for post-issuance tax compliance by the Participant in connection with its Participant Loan.

“Participant Closing Certificate” means the closing certificate executed by the Participant in connection with the closing of the Participant Loan.

“Participant Loan” means a Clean Water Loan or a Drinking Water Loan.

“Placed In Service” means the date when the Project Facility is substantially complete and in operation at substantially its design level, as determined by the Participant Bond Compliance Officer or, in the absence of appropriate action by the Participant Bond Compliance Officer, by [DNR][the Bond Compliance Officer in consultation with DNR].

“Project Facility” means all tangible or intangible property financed in whole or in part with proceeds of a Participant Loan that are (1) functionally related or integrated in use, (2) located on the same physical site or proximate sites, and (3) expected to be Placed In Service within a one-year period of each other.

“Rebate Analyst” means the rebate analyst for the Tax-Exempt Bonds selected pursuant to the Tax Compliance Agreement.

“Regulations” means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

“Requisition” means a Clean Water Reimbursement Form or Drinking Water Reimbursement Form, submitted by a Participant and approved by DNR for each disbursement of Participant Loan proceeds.

“State Revolving Funds Programs” means, collectively, the Clean Water SRF Direct Loan Program, the Clean Water SRF Leveraged Loan Program, the Drinking Water SRF Direct Loan Program and the Drinking Water SRF Leveraged Loan Program.

“Tax Compliance Agreement” means a Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Authority or the Participant (including Article V or similar article of a Purchase Agreement between the Participant and DNR or Exhibit to a Participant Closing Certificate), setting out representations and covenants for satisfying the post-issuance tax compliance requirements for the Tax-Exempt Bonds.

“Tax-Exempt Bonds” means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Authority, the proceeds of which are to be loaned or otherwise made available to DNR to finance Participant Loans, and the interest on which is excludable from gross income for federal income tax purposes. A list of all Tax-Exempt Bonds outstanding and subject to this Compliance Procedure as of July 1, 2013, is attached as **Exhibit A**.

“Tax-Exempt Bond File” means documents and records which may consist of paper and electronic medium, maintained for the Tax-Exempt Bonds. Each Tax-Exempt Bond File will include the following information if applicable:

- (a) Intent Resolution. (Duplicate Copy Maintained by Bond Compliance Officer)
- (b) Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)

- (c) For each Participant Loan, a Final Written Allocation and/or all available accounting records related to the Financed Facility showing expenditures allocated to the proceeds of the Participant Loan and expenditures (if any) allocated to other sources of funds.
- (d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculations.
- (e) Forms 8038-T together with proof of filing and payment of rebate. (Duplicate Copy Maintained by Bond Compliance Officer)
- (f) Investment agreement bid documents (unless included in the Bond Transcript) including:
 - (1) bid solicitation, bid responses, certificate of broker;
 - (2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
 - (3) copies of the investment agreement and any amendments.
- (g) Any item required to be maintained by the terms of the Tax Compliance Agreement and Participant's Tax Compliance Agreement involving the use of the Financed Facility or expenditures related to tax compliance for the Tax-Exempt Bonds.
- (h) Any opinion of Bond Counsel regarding the Tax-Exempt Bonds not included in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (j) Any correspondence with the IRS relating to the Tax-Exempt Bonds including all correspondence relating to an audit by the IRS of the Tax-Exempt Bonds or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP). (Duplicate Copy Maintained by Bond Compliance Officer)
- (k) All completed Authority Annual Compliance Checklists and Participant Annual Compliance Checklists and any other questionnaires or correspondence substantiating compliance with the post-issuance tax requirements.
- (l) For refunding bond issues, the Tax-Exempt Bond File for the refunded Tax-Exempt Bonds.

“Trustee” means the corporate trustee named in a trust indenture or other similar document included in the Bond Transcript for the Tax-Exempt Bonds or the “Paying Agent” within the meaning of the documents executed by a Participant, DNR and the Paying Agent in connection with a Participant Loan made under the Clean Water SRF Direct Loan Program or the Drinking Water SRF Direct Loan Program.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) Authority's Use of Tax-Exempt Bonds. The Authority issues Tax-Exempt Bonds and funds Participant Loans or makes the proceeds available to DNR to fund, or reimburse DNR for funding of, certain Participant Loans, the proceeds of which finance Costs of a Project Facility. The Authority understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Exempt

Bonds and the Financed Facility financed by the Tax-Exempt Bonds. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project Facility.

(b) IRS Recommends Separate Written Procedures. The Authority recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have separate written procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds.

(c) Authority Commitment. The Authority is committed to full compliance with the federal tax law requirements for all of its outstanding and future issues of Tax-Exempt Bonds. This Compliance Procedure is adopted by the Authority to comply with IRS directives and to improve federal tax law compliance and documentation. Because each Participant is primarily responsible for the expenditure and investment of proceeds of its Participant Loan and the use of its Project Facility, this Compliance Procedure provides that each Participant will assume substantially all obligations related to post-issuance compliance for its Participant Loan. The Authority will assume responsibility for annually monitoring each Participant's compliance with the post-issuance tax requirements through use of the Participant Annual Compliance Checklists. The Authority will assume responsibility for ensuring compliance with the remaining post-issuance tax requirements for all Tax-Exempt Bonds primarily consisting of compliance with the arbitrage and rebate requirements.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to all Participant Loans, both currently outstanding and issued in the future, and all Tax-Exempt Bonds, both currently outstanding and issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement or any specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Authority or a Participant in the Tax Compliance Agreement will be noted by the Bond Compliance Officer and incorporated into the Authority Annual Compliance Checklist and/or the Participant Annual Compliance Checklist.

Section 2.3. Amendments and Publication of Compliance Procedure. This Compliance Procedure may be amended from time-to-time by the Authority. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Authority.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with the Participants through each Participant Bond Compliance Officer, DNR and the Trustee to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Participants, DNR, Bond Counsel, legal counsel to the Authority, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report to the Authority as necessary, and at least annually, regarding implementation of this Compliance Procedure and any recommended changes or amendments to this Compliance Procedure.

Section 3.2. Training.

(a) Training Programs. When appropriate, the Bond Compliance Officer and/or other employees of the Authority under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding Tax-Exempt Bonds that are relevant to the Authority.

(b) Change in Bond Compliance Officer. Any time an individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the Authority will ensure the incoming individual acting as Bond Compliance Officer is trained on how to implement the policies and procedures included in this Compliance Procedure to ensure the Authority's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

ARTICLE IV

COMPLIANCE PROCEDURE FOR PARTICIPANT LOANS CURRENTLY OUTSTANDING

Section 4.1. Participant Loans Covered by Article IV Procedures. This **Article IV** applies to all Participant Loans issued prior to the date of this Compliance Procedure that are currently outstanding.

Section 4.2. Participant Contact. As soon as reasonably practical the Bond Compliance Officer will send to each Participant a copy of the Participant's Tax Compliance Agreement along with a letter reminding the Participant that pursuant to the Participant's Tax Compliance Agreement the Participant is responsible for post-issuance tax compliance related to record keeping, use of Participant Loan proceeds, and use of the Financed Facility.

Section 4.3. Annual Certification From Each Participant. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will request each Participant to confirm annually in writing its compliance with the terms of the Participant's Closing Certificate for the Participant Loan through use of a Participant Annual Compliance Checklist. The Bond Compliance Officer will use reasonable efforts to obtain a completed Participant Annual Compliance Checklist from each Participant and will retain the completed Participant Annual Compliance Checklist in the Tax-Exempt Bond File for the longer of the term of the Participant Loan or the Tax-Exempt Bond allocable to financing the Participant Loan (if any) plus three years.

Section 4.4. Correcting Prior Deficiencies in Compliance. If a Participant informs the Bond Compliance Officer of a deficiency in compliance with Participant's Tax Compliance Agreement for an outstanding Participant Loan allocable to an outstanding Tax-Exempt Bond listed on **Exhibit A**, the Bond Compliance Officer will consult with Bond Counsel and, as necessary or appropriate, follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Authority to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Director of the Authority and obtaining the approval of the Director and/or the Authority, as deemed appropriate.

ARTICLE V

COMPLIANCE PROCEDURE FOR NEW PARTICIPANT LOANS

Section 5.1. Application. This Article V applies to Participant Loans made on or after the date of this Compliance Procedure.

Section 5.2. Prior to Issuance of Participant Loan.

(a) Intent Resolution. Prior to or as a part of the Participant Loan authorization process, the Participant may adopt an Intent Resolution. The Authority expects that Participants will usually adopt an Intent Resolution as part of their election call proceedings.

(b) Participant's Tax Compliance Agreement. For each Participant Loan, a Participant's Tax Compliance Agreement, including covenants related to the Participant's compliance with the post-issuance tax requirements, will be signed by the Participant Bond Compliance Officer or other duly authorized officer of the Participant. The Participant's Tax Compliance Agreement will (1) describe the Project Facility and the anticipated Financed Facility, (2) for new money financings, require the Participant to complete a Final Written Allocation, and (3) contain a form of the Participant Annual Compliance Checklist for the Participant Loan. The Participant Bond Compliance Officer is expected to confer with the Bond Compliance Officer and Bond Counsel or local bond counsel to the Participant regarding the meaning and scope of each representation and covenant contained in the Participant's Tax Compliance Agreement.

(c) Participant Loans; Preliminary Cost Allocations. The Participant Bond Compliance Officer in consultation with DNR, will prepare a preliminary cost allocation plan for the Project Facility to be funded from proceeds of a Participant Loan. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and when necessary, will break-out the portions of Costs that are expected to be financed with proceeds of the Participant Loan and the portions, if any, expected to be financed from other sources.

Section 5.3. Final Written Allocation of Participant Loan Proceeds. The Participant's Tax Compliance Agreement will include the Participant's agreement that its file of all Requisitions and supporting invoices provided to DNR with respect to the use of Participant Loan proceeds constitutes the Participant's Final Written Allocation of the application of proceeds of the Participant Loan to the Financed Facility. In addition, the Bond Compliance Officer may access DNR's compilation of Requisitions and supporting invoices to document the Participant's Final Written Allocation absent receipt of documentation from the Participant. The Participant may, with at least 60 days' prior written notice to, and the written consent of DNR, deliver a revised written reimbursement allocation to DNR if the revised allocation is accompanied by an Opinion of Bond Counsel. However, no revised reimbursement allocation will be made more than 18 months following the later of (A) the date of the expenditure or (B) the date the Financed Facility was Placed In Service, unless an Opinion of Bond Counsel is delivered to DNR and the Authority. For Participant Loans issued only to refund a prior Participant Loan, the Participant Bond Compliance Officer will work with the Bond Compliance Officer or Bond Counsel to prepare and/or document the Final Written Allocation for the Financed Facility financed by the refunded Participant Loan and include it as an attachment to the Participant's Tax Compliance Agreement or in the Tax-Exempt Bond File.

Section 5.4. Participant Annual Compliance Checklists; Reviews.

(a) Participant Annual Compliance Checklists. The Participant Bond Compliance Officer will be responsible for assembling and maintaining the information necessary to accurately complete the Participant Annual Compliance Checklist. Each Participant Bond Compliance Officer will be required to provide a completed Participant Annual Compliance Checklist, together with any supporting documentation, to the Director, Financial Assistance Center of DNR (and subsequently forwarded by the Director to the Bond Compliance Officer) or directly to the Authority.

(b) Review of Participant Annual Compliance Checklist. Each Participant Annual Compliance Checklist will be reviewed by legal counsel to the Participant or the Participant's local bond counsel for sufficiency and compliance with the Participant's Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Participant Bond Compliance Officer will execute the Participant's Annual Compliance Checklist.

ARTICLE VI

COMPLIANCE PROCEDURE FOR TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

Section 6.1. Tax-Exempt Bonds Covered by Article VI Procedures. This **Article VI** applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bonds are listed on **Exhibit A**.

Section 6.2. Tax-Exempt Bond File; Annual Compliance Checklists. As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Exempt Bond File as is available for the Tax-Exempt Bonds listed on **Exhibit A**. As soon as practical, the Bond Compliance Officer will complete an Authority Annual Compliance Checklist for each outstanding Tax-Exempt Bond issue. The Bond Compliance Officer will use reasonable efforts to obtain a completed Participant Annual Compliance Checklist from each Participant. The Bond Compliance Officer will retain the completed Participant Annual Compliance Checklist and Authority Annual Compliance Checklist in the Tax-Exempt Bond File for the longer of the term of the Participant Loan or the Tax-Exempt Bond allocable to financing the Participant Loan (if any) plus three years.

Section 6.3. Correcting Prior Deficiencies in Compliance. In the event of a deficiency in compliance with the Tax Compliance Agreement for an outstanding Tax-Exempt Bond listed on **Exhibit A**, the Bond Compliance Officer will consult with Bond Counsel and, as necessary, follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Authority to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Authority and obtaining its approval.

ARTICLE VII

COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BONDS

Section 7.1. Application. This **Article VII** applies to Tax-Exempt Bonds issued on or after the date of this Compliance Procedure.

Section 7.2. Prior to Issuance of Tax-Exempt Bonds.

(a) Intent Resolution. The Authority will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of the authorizing resolution, the Authority may adopt an Intent Resolution.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Exempt Bonds so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Authority's costs and expenses incurred to implement this Compliance Procedure. To the extent the Authority relies on or acts at the direction of the Participant, the Tax Compliance Agreement will contain appropriate provision for Authority indemnification by the Participant.

(c) Tax Compliance Agreement. For each Tax-Exempt Bond, the Authority will enter into a Tax Compliance Agreement including covenants related to compliance with the post-issuance tax requirements that will be signed by the Bond Compliance Officer or other duly authorized officer of the Authority. The Tax Compliance Agreement will (1) identify the Participant Loans being financed with proceeds of the Tax-Exempt Bond, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings, assure each Participant is required to complete a Final Written Allocation, and (4) contain a form of the Authority Annual Compliance Checklist. The Bond Compliance Officer will review the Authority's Tax Compliance Agreement and, if deemed appropriate, confer with Bond Counsel and the Authority's counsel regarding the meaning and scope of each representation and covenant contained in the Authority's Tax Compliance Agreement.

(d) Preliminary Cost Allocations. For each Tax-Exempt Bond issuance, the Bond Compliance Officer will assure a preliminary cost allocation plan is prepared. The preliminary cost allocation plan will identify the Participant Loans or portions thereof to be financed with proceeds of the Tax-Exempt Bonds and the portions of the Participant Loans, if any, expected to be financed from other sources together with the proceeds expected to be used to finance costs of issuing or credit enhancement for the Tax-Exempt Bonds, including funding any reserve funds.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Exempt Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Exempt Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Authority Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Exempt Bonds.

Section 7.3. Accounting and Recordkeeping. The Bond Compliance Officer will assure the accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds is accomplished. The Bond Compliance Officer may use accounts established pursuant to a trust indenture for the Tax-Exempt Bonds to assist it in accounting for the investment and expenditure of Tax-Exempt Bonds. For Tax-Exempt Bonds that are issued to refund prior Tax-Exempt Bonds, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary

proceeds of the refinanced Tax-Exempt Bonds. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File.

Section 7.4. Final Allocation of Bond Proceeds.

(a) Preparation of Final Written Allocation; Timing. The Bond Compliance Officer will assure a written allocation of Tax-Exempt Bond proceeds to Participant Loans and other expenditures is prepared. This process will be memorialized in the Final Written Allocation. For a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Participant Loan proceeds from any segregated Tax-Exempt Bond funded account, (2) the date the Project Facilities have been substantially completed or (3) four and one-half years following the issue date of the Tax-Exempt Bonds. For Tax-Exempt Bonds issued only to refund a prior issue of Tax-Exempt Bonds, the Participant Bond Compliance Officer will work with the Participants and Bond Counsel to prepare and/or document the Final Written Allocation for the Financed Facility financed by the refunded Tax-Exempt Bonds and include it in the Tax Compliance Agreement.

(b) Contents and Procedure. The Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Exempt Bond proceeds and other money to Participant Loans and other expenditures. If no special allocation is required or recommended, the Bond Compliance Officer will allocate proceeds of the Tax-Exempt Bonds in accordance with the Authority's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to fund Participant Loans, (2) the percentage of each Participant Loan financed with proceeds of the Tax-Exempt Bonds and (3) any special procedures to be followed in completing the Authority Annual Compliance Checklist.

(c) Finalize Authority Annual Compliance Checklist. As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Authority Annual Compliance Checklist contained in the relevant Tax Compliance Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Exempt Bonds in the Authority Annual Compliance Checklist.

(d) Review of Final Written Allocation and Authority Annual Compliance Checklist. Each Final Written Allocation and Authority Annual Compliance Checklist will be reviewed by legal counsel to the Authority or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

ARTICLE VIII

ONGOING MONITORING PROCEDURES

Section 8.1. Annual Compliance Checklists. Participant Annual Compliance Checklists and the Authority Annual Compliance Checklist are to be completed annually. Each Participant Annual Compliance Checklist and Authority Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Participant's Tax Compliance Agreement, the Authority's Tax Compliance Agreement and this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Financed Facility) that are required to be incorporated in the Tax-Exempt Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal counsel to the Authority and Bond Counsel and, if recommended by counsel, will follow the procedure set out in **Section 6.3** to remediate the non-compliance.

Section 8.2. Arbitrage and Rebate Compliance. The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and cause the Trustee to provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ADOPTED BY THE AUTHORITY
July 25, 2013

EXHIBIT A

LIST OF TAX-EXEMPT BONDS COVERED BY THIS COMPLIANCE PROCEDURE

Series	Dated Issued	Final Maturity Date	Original Principal Amount	Description
1993A	9/8/1993	7/1/2015	\$ 22,425,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1994A	8/18/1994	7/1/2015	12,215,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1994B	12/1/1994	7/1/2016	43,230,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1995A	5/2/1995	7/1/2016	17,450,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - City of Branson Project)
1995C	6/29/1995	1/1/2016	30,000,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1995D	6/29/1995	1/1/2017	11,462,661	Capital Appreciation Water Pollution Control Revenue Bonds (State Revolving Fund Program - City of Cape Girardeau Project)
1995E	11/14/1995	7/1/2016	26,410,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1996B	4/25/1996	1/1/2017	4,545,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1996D	6/12/1996	1/1/2019	14,185,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1996E	12/19/1996	1/1/2019	23,600,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1997D	6/5/1997	1/1/2019	24,060,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series)
1997E	12/3/1997	1/1/2019	14,015,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Master Trust)
1997F	12/3/1997	1/1/2018	2,500,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Master Trust)
1998A	4/22/1998	1/1/2019	16,480,000	Water Pollution Control Revenue Bonds (State Revolving Fund Program - Master Trust)

Series	Dated Issued	Final Maturity Date	Original Principal Amount	Description
1998B	12/2/1998	1/1/2020	45,875,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
1999A	6/3/1999	1/1/2020	47,970,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
1999B	12/2/1999	7/1/2020	13,870,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2000A	4/12/2000	7/1/2021	52,640,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2000B	11/21/2000	7/1/2021	41,485,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2001A	4/18/2001	1/1/2022	13,930,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2001B	6/26/2001	1/1/2019	122,060,000	Water Pollution Control Revenue Refunding Bonds (State Revolving Fund Program - Master Trust)
2001C	11/20/2001	7/1/2023	112,280,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2002A	5/8/2002	1/1/2023	29,545,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2002B	11/7/2002	7/1/2023	103,065,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2003A	1/30/2003	1/1/2024	88,915,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2003B	4/9/2003	1/1/2025	39,940,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust)
2003C	11/20/2003	7/1/2025	27,895,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2004A	3/23/2004	7/1/2021	77,625,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)
2004B	5/28/2004	1/1/2027	179,780,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2004C	12/9/2004	1/1/2026	39,895,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)

Series	Dated Issued	Final Maturity Date	Original Principal Amount	Description
2005A	5/19/2005	7/1/2026	53,060,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2005C	11/30/2005	7/1/2027	85,210,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2006A	4/27/2006	7/1/2027	87,505,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2006B	11/16/2006	7/1/2027	22,105,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2007A	5/1/2007	1/1/2028	57,430,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2007B	11/15/2007	1/1/2029	56,720,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2008A	10/30/2008	1/1/2029	69,435,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2010A	2/17/2010	1/1/2024	205,420,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)
2010B	11/17/2010	7/1/2030	65,920,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2011A	11/30/2011	1/1/2025	106,830,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)

EXHIBIT B**SAMPLE ANNUAL COMPLIANCE CHECKLIST
(AUTHORITY)**

Name of tax-exempt bonds (“Bonds”):	_____
Issue Date of Bonds:	_____
Name of Bond Compliance Officer:	_____
Period covered by request (“Annual Period”):	_____

Item	Question	Response
1 Receipt of Participant Annual Compliance Checklists	Has the Bond Compliance Officer received a completed Participant Annual Compliance Checklist from each Participant for the above referenced Tax-Exempt Bond issue for the Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If the Bond Compliance Officer has not received a completed Participant Annual Compliance Checklist from a Participant, contact the applicable Participant and obtain a completed Participant Annual Compliance Checklist, review the Participant Annual Compliance Checklist for any responses which may raise a question regarding compliance with the Post-Issuance Tax Requirements and include a copy of the completed Participant Annual Compliance Checklist in the Tax-Exempt Bond File.</p> <p>If a response from any Participant raises a question regarding compliance with the Post-Issuance Tax Requirements, contact the Authority’s legal counsel or Bond Counsel and include description of resolution in the Tax-Exempt Bond File.</p>	
2 Participant Final Written Allocation	For each Participant Project that has been Placed In Service, has a Final Written Allocation been completed for the Participant Project?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If “Yes”, include a copy of the final Participant Requisition in the Tax-Exempt Bond File.</p> <p>If “No”, contact DNR and the applicable Participant Bond Compliance Officer to prepare a Final Written Allocation for the Participant’s Project and include a copy of the final Participant Requisition in the Tax-Exempt Bond File.</p>	
3 Arbitrage & Rebate	Have all rebate and yield reduction calculations mandated in the Tax Compliance Agreement been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Bond Compliance Officer: _____**Date Completed:** _____

EXHIBIT C

SAMPLE ANNUAL COMPLIANCE CHECKLIST (PARTICIPANT)

Name of Participant:	
Name of bonds (“Bonds”) financing the Financed Assets:	
Financed Assets: [NOTE: insert Project as defined in Purchase Agreement unless modified during construction]	
Issue Date of Bonds:	
Placed in service date of the Financed Assets:	
Name of Participant Bond Compliance Officer:	
Period covered by request (“Annual Period”):	

Item	Question	Response
1 Ownership	Were all of the Financed Assets owned by the Participant during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “No,” was an Opinion of Bond Counsel obtained prior to the transfer? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

2 Leases and Other Rights to Possession	During the Annual Period, were any of the Financed Assets or any part of a Financed Asset leased at any time pursuant to a lease or similar agreement for more than 50 days (e.g., has the Participant entered into an agreement permitting a cell phone tower on a Bond-financed facility)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was an Opinion of Bond Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item	Question	Response
3 Management or Service Agreements	During the Annual Period, has the Participant entered into an agreement with another entity to manage the operation of the Financed Assets? (for example, does a private entity operate the System on behalf of the Participant)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into a management agreement?</p> <p>If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.</p> <p>If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Other Use	Was any agreement entered into with an individual or entity that grants special legal rights to the Financed Asset (e.g., has the Participant entered into a take or pay contract or similar agreement related to output from the Financed Assets)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the agreement?</p> <p>If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.</p> <p>If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

Participant Bond Compliance Officer: _____

Date: _____

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION APPROVING AND ADOPTING THE STATE ENVIRONMENTAL
IMPROVEMENT AND ENERGY RESOURCES AUTHORITY SRF PROGRAMS TAX
COMPLIANCE PROCEDURE

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects, and to refund its outstanding revenue bonds in whole or in part; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988, September 22, 1998 and October 27, 2010 (the "Program Resolutions"), the Authority has approved the development and implementation of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "Clean Water SRF Program") and the Missouri Leveraged State Drinking Water Revolving Fund Program (the "Drinking Water SRF Program" and, collectively with the Clean Water SRF Program, the "State Revolving Funds Programs") and has stated its general intent to issue its bonds to finance projects pursuant to the State Revolving Funds Programs; and

WHEREAS, pursuant to the Amended and Restated Interagency Agreement (the "Interagency Agreement") approved at the Authority's October 27, 2010 meeting, the Authority, the Missouri Department of Natural Resources ("DNR"), DEQ-WPP of DNR, the Missouri Clean Water Commission and the Safe Drinking Water Commission have agreed to cooperate in connection with the funding of projects, meeting federal program requirements and financing related costs with respect to the State Revolving Funds Programs; and

WHEREAS, pursuant to the Act and in accordance with the Interagency Agreement, the Authority has financed projects, and intends to finance additional projects, under the State Revolving Funds Programs by issuing tax-exempt revenue bonds and/or notes and desires to approve and adopt a State Revolving Funds Programs Tax Compliance Procedure.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section 1. Financing Compliance Procedure. The Authority hereby approves and adopts the State Revolving Funds Programs Tax Compliance Procedure in substantially the form attached hereto as Exhibit A.

Section 2. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and

execute other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 25th day of July, 2013.

Chairman of the Authority

(Seal)
ATTEST:

Secretary of the Authority

Attachment "A"

Exhibit A

[Form of Compliance Procedure]

State Environmental Improvement and Energy Resources Authority
307th Board Meeting
July 11, 2013

Agenda Item #4B

MISSOURI MARKET DEVELOPMENT PROGRAM – FUNDING RECOMMENDATION FOR LOGANBILL ENTERPRISES, LLC

Issue:

At the last meeting, the Authority considered a funding recommendation for Loganbill Enterprises, LLC, located in Latham. Loganbill Enterprises requested \$75,375 toward the purchase of equipment costing \$106,500 to set up an additional shavings mill that would enable the company to produce dried and bagged colored wood shavings primarily marketed to beef and equestrian show participants. The funding recommendation was tabled until additional information about the dye used in the process could be obtained.

Action Needed:

Consideration of the funding recommendation for the Loganbill Enterprises, LLC project.

Staff Recommendation:

Staff recommends awarding Loganbill Enterprises, LLC, \$50,000 in financial assistance, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Loganbill Enterprises, LLC, requested \$75,375 toward the purchase of equipment costing \$106,500 to set up an additional shavings mill that would enable the company to produce dried and bagged colored wood shavings primarily marketed to beef and equestrian show participants. Loganbill Enterprises is a family owned operation established in 1996 that produces shavings, mulch and compost products from waste wood. The company is a successful past program participant. Loganbill Enterprises has been selling bulk colored shavings to the American Royal for the past five years and at the Missouri State Fair this past year. This exposure has led to several inquiries from across the country about the availability of bagged colored shavings. A separate mill is required because this premium product uses oak rather than the traditional pine shavings required by most users and the materials cannot be mixed as oak can cause health problems for poultry. Loganbill Enterprises anticipates diverting 750 tons of cabinet shop and slab wood waste annually and creating one new full time and one new part time employee positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Authority, MoDNR, Missouri Department of Economic Development, recommends awarding Loganbill Enterprises, LLC, \$50,000 in financial assistance, not to exceed 75% of the cost of the equipment. The funding recommendation is less than the amount requested because the project application scored only enough points to receive a maximum of \$50,000.

At the last meeting, the Authority tabled the funding recommendation until additional information about the dye used in the process could be obtained. Loganbill Enterprises purchases dye from a company called Colorbiotics and this company shares Material Safety Data Sheets on its products on its website. The MSDS for all of the dyes indicated that the dye does not contain any hazardous substances and is nontoxic. Additionally, the company has submitted its products for independent analysis and according to its website, "the results showed that the colorants are in the lowest and safest level of toxicity possible – Category IV, the same as everyday sugar. Salt and baking soda, by contrast, actually have a higher toxicity level."

Additionally, staff discussed the mulch and shaving dye market with other large scale producers at a board meeting of the Compost and Organics Association of Missouri. These producers advised that all of the colorants in use by mulch producers are water based and non-toxic. These producers suggested that, because of its use in gardens and areas that promote contact with humans and pets, a dye manufacturer who produced a harmful dye would not stay in business very long and neither would a producer who used a harmful colorant.

It does not appear that there is any reason for concern about the effects of the dye to humans, animals, air or groundwater.

KT:ge

State Environmental Improvement and Energy Resources Authority
307th Board Meeting
July 11, 2013

Agenda Item #5A
MISSOURI BROWNFIELDS REVOLVING LOAN FUND UPDATE

Issue:

Update on activities of the MBRLF since the last meeting of the Authority.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Kristin Tipton, Development Director

Background:

EPA Region 7 staff has advised that they forwarded our request for supplemental funds to EPA headquarters and those awards are expected to be announced in mid-July. Staff participated in the Missouri Brownfields Conference conducted by MoDNR's Brownfield Voluntary Cleanup Program in June and established contacts with several potential program participants. The project with Ivarhorne in Kansas City, for which a grant was recently awarded, withdrew from the program prior to signing the agreement when it became evident that they would not be able to comply with procurement requirements.

Update on Active Project Schedules

- Staff is still working with MoDNR BVCP to obtain approval on the Remediation Action Plan for the former ACME Battery Plant cleanup project with Remains, Inc. Once approved by MoDNR, bids for the project will go out.
- The Remediation Action Plan has been completed for the project with the Lake of the Ozarks Council of Local Governments project and submitted to MoDNR BVCP for approval. Staff has also developed a procurement package for the project.
- SMI SNF Landlord, LLC continues to repay its loan as scheduled.
- Long term groundwater monitoring continues at the City of Russellville site. Results of this monitoring should be available in the summer of 2013.

- Long term groundwater monitoring continues at the Ranken Technical College site. Results of this monitoring should be available in the summer of 2013.
- Staff learned that a "Certificate of Completion" has been issued by MoDNR for the City of Chillicothe project, but that it has not been filed with the property title chain. Staff has attempted to contact the City Administrator about this issue and has not yet received a response.
- The agreement for the project with the Land Reutilization Authority of the City of St. Louis has been signed.
- Ivanhome, in Kansas City, withdrew from the program prior to signing an agreement.

KT:ge

State Environmental Improvement and Energy Resources Authority
307th Board Meeting
July 11, 2013

Agenda Item #6
ADOPTION OF FISCAL YEAR 2014 BUDGETS

Issue:

The Authority needs a budget for Fiscal Year 2014 which began on July 1, 2013 and to designate certain funds as committed under the Governmental Standards Board (GASB) Statement 54.

Action Needed:

Consideration and adoption of FY14 Budgets for the Authority, Market Development Program and Brownfields Revolving Loan Fund and to commit \$184,560 of Authority funds to the Brownfields Program cost share.

Staff recommendation:

Staff recommends that the attached budgets be adopted and funds committed as Brownfields cost share.

Staff Contact:

Karen Massey

Background:

Attached you will find the FY13 adopted budgets, our anticipated final FY13 numbers and FY14 proposed budgets.

Authority

The revenues for the Authority came in approximately 10% below expected. Budget categories that came in lower than budgeted primarily include issuance fees and interest revenues. There was no SRF bond sale as anticipated and interest rates did not rise during the year, resulting in underperformance in these areas. These shortfalls were made up in part by the receipt of unanticipated settlement funds. SRF reimbursement revenues were also higher than budgeted; however, those revenues are equal to SRF outlays in staff time and professional fees.

Authority expenses were about 27% lower than projected. A portion of that was due to certain invoices being received in June (after budget adoption) which were booked into FY12 rather than FY13 as expected. The State Park expenses line is one such example. Other significant variations were in Environmental Initiatives (none were approved) and BRLF match which was budgeted as if the entire grant would be expended during FY13 which did not occur. Staff expenses also came in significantly under budget. The only areas in which expenses came in significantly over budget were legal and other professional fees. These

primarily reflect an increase in non-bond transaction related activity in the SRF and the vast majority of the amounts listed in these expense lines are reimbursed by DNR.

The FY14 budget reflects an increase in revenue based on the assumption that a \$75 million SRF bond transaction occurs. DNR is projecting the need for \$130 million in additional funding to meet all of its project needs in clean water. We are being more conservative in our projections. You will note that we are still anticipating an operating loss for the year, although at a significantly lower amount than the previous fiscal year.

During Fiscal Year 2011, the Authority adopted a policy required by GASB 54 which categorized all Authority Fund. Certain funds are Restricted and have enforceable limits on how they may be spent (Market Development and Brownfields grant funds), others are committed by action of the Board for specific purposes and finally, the majority of the Authority funds are Unassigned and may be used for any appropriate purpose. The Authority FY14 Budget contains a line item of \$184,560 for the cost share (match) required under the Brownfields grant. These funds need to be committed by the Board for use only as match for the federal Brownfields grant.

Market Development

The Market Development budget has always assumed that all available funds (the current year's allocation and unspent funds from previous allocations) will be spent during the fiscal year. Staff is unaware of any year in which that has occurred. The revenues and expenses during FY13 do represent, however, an increase in activity over the past few years. The amount of projects encumbered leading into FY14 is also higher than in years past. This is primarily due to the new funding methodology.

Fiscal Year 2014 revenues are not calculated in the same manner as previous years. Through the State appropriations process, DNR received authorization to reimburse the Market Development Program \$1.6 million between July 1, 2013 and June 13, 2014. DNR manages their fund on a cash basis. The Authority uses an accrual basis. As a result, approximately \$96,000 in FY13 Authority expenses are expected to be considered DNR FY14 expenses. Therefore, the Authority FY14 anticipated revenue and expenses reflect the appropriated \$1.6 million less the \$96,000. The remainder of the Market Development budget is straightforward.

Brownfields

The top table of the Brownfields budget reflects our estimate of the funds remaining in the current grant (both federal funds and Authority match) as well as the anticipated loan repayments for FY14. EPA does not require us to submit a budget for loan repayments. They must be expended before federal and match funds, but can be used for any allowable expenses. The budget document is staff's best estimate of where those funds will be needed, although timing of expenses could require they be deployed in other budget categories. We will not, however, exceed the total proposed budget amounts without prior authorization. The second table reflects the FY13 expenses. Contractual services exceeded projections primarily due to an increase in the amount of environmental consultant needs. We are still well within our grant budget in this, and all other, categories. The over budget amount was paid with loan repayment funds.

KM:ge

Attachments

**FY 14 Proposed Budget
Authority**

Attachment "A"

	FY13 Budget	FY13 Estimated	Variance	FY14 Proposed Budget
REVENUES				
EIERA Exp (MMDP)	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
EIERA Staff Support (MMDP)	\$ 35,000	\$ 35,000	\$ -	\$ 35,000
SRF Reimbursement	\$ 117,000	\$ 156,773	\$ 39,773	\$ 150,000
Application Fees	\$ 2,500	\$ 1,015	\$ (1,485)	\$ 2,500
Issuance fees	\$ 88,000	\$ 6,344	\$ (81,656)	\$ 150,000
Investment Income	\$ 35,000	\$ 18,893	\$ (16,107)	\$ 10,000
Misc. Income	\$ 200	\$ 30,000	\$ 29,800	\$ 200
TOTAL REVENUES	\$ 287,700	\$ 258,025	\$ (29,675)	\$ 357,700
EXPENSES				
Personal Services				
Per Diem	\$ 1,000	\$ 675	\$ 325	\$ 850
Office Salaries	\$ 290,000	\$ 210,422	\$ 79,578	\$ 290,000
Payroll Taxes & Fringe	\$ 100,000	\$ 78,655	\$ 21,345	\$ 100,000
Travel Expense Staff	\$ 21,000	\$ 10,769	\$ 10,231	\$ 10,500
Travel Expense Board	\$ 3,000	\$ 1,721	\$ 1,279	\$ 2,300
Total Personal Services	\$ 415,000	\$ 302,242	\$ 112,758	\$ 403,650
Professional Services				
Legal Fees & Exps (General)	\$ 10,000	\$ 7,929	\$ 2,072	\$ 14,820
Legal Fees & Exps (SRF Misc.)	\$ 7,000	\$ 12,024	\$ (5,024)	\$ 22,800
Legal Fees & Exps (SRF Bonds)	\$ -	\$ -	\$ -	\$ -
Legal Fees & Exps (Other Bonds)	\$ -	\$ 6,344	\$ (6,344)	\$ -
Misc. Professional Fees	\$ 25,000	\$ 63,499	\$ (38,499)	\$ 50,000
Accounting Fees	\$ 11,000	\$ 7,478	\$ 3,522	\$ 11,000
Audit Fees	\$ 22,000	\$ 21,000	\$ 1,000	\$ 18,000
Strategic Planning	\$ 60,000	\$ 57,356	\$ 2,644	\$ -
Total Professional Services	\$ 135,000	\$ 175,630	\$ (40,630)	\$ 116,620
Operating Expenses				
Equipment Maintenance	\$ 500	\$ -	\$ 500	\$ 500
Telephone	\$ 6,000	\$ 4,262	\$ 1,738	\$ 3,000
Office Supplies & Printing	\$ 7,000	\$ 4,524	\$ 2,476	\$ 5,500
Postage & Shipping	\$ 2,000	\$ 1,138	\$ 862	\$ 1,400
Membership Dues	\$ 3,200	\$ 3,525	\$ (325)	\$ 3,550
Conference Registration	\$ 2,000	\$ 1,250	\$ 750	\$ 2,000
Subscriptions	\$ 3,200	\$ 253	\$ 2,947	\$ 400
Training	\$ 1,000	\$ 380	\$ 620	\$ 1,000
Board Meeting Expense	\$ 500	\$ 324	\$ 176	\$ 500
Misc & Administrative	\$ 300	\$ 246	\$ 54	\$ 300
Advertising	\$ 1,500	\$ 456	\$ 1,044	\$ 1,000
Office Maintenance	\$ 4,600	\$ 3,529	\$ 1,071	\$ 200
Rent	\$ 36,000	\$ 35,813	\$ 187	\$ 33,469
Utilities	\$ 5,500	\$ 4,779	\$ 721	\$ 1,050
Insurance	\$ 500	\$ 426	\$ 74	\$ 800
Parking	\$ 2,500	\$ 2,400	\$ 100	\$ 400
Equipment Purchases	\$ -	\$ -	\$ -	\$ 2,000
Computer Purchases	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Moving Expense	\$ 15,000	\$ -	\$ 15,000	\$ 20,000
Workers Comp Contingency	\$ 4,500	\$ -	\$ 4,500	\$ 4,500
Total Operating Expense	\$ 96,800	\$ 64,305	\$ 32,495	\$ 82,569
Project Assistance				
Environmental Initiatives	\$ 200,000	\$ -	\$ 200,000	\$ -
BRLF Match (Transfer Out)	\$ 184,429	\$ 12,497	\$ 171,933	\$ 184,560
State Parks Initiative	\$ 1,393,822	\$ 1,207,649	\$ 186,173	\$ -
Total Project Assistance	\$ 1,778,251	\$ 1,220,146	\$ 558,105	\$ 184,560
TOTAL EXPENSES/EXPENSE VARIANCE	\$ 2,425,051	\$ 1,762,323	\$ 662,728	\$ 787,399

**FY13 and FY14 Budget Summary
Authority**

	FY13 Budget	FY13 Anticipated	Variance	FY14 Proposed Budget
REVENUES				
	\$ 287,700	\$ 258,025	\$ (29,675)	\$ 357,700
EXPENSES				
Personal Services	\$ 415,000	\$ 302,242	\$ 112,758	\$ 403,650
Professional Expenses	\$ 135,000	\$ 175,630	\$ (40,630)	\$ 116,620
Operating Expenses	\$ 96,800	\$ 64,305	\$ 32,495	\$ 82,569
Project Assistance	\$ 1,778,251	\$ 1,220,146	\$ 558,105	\$ 184,560
Total Expenses	\$ 2,425,051	\$ 1,762,323		\$ 787,399
Total FY13 Variance: \$ 662,728				

Revenues Over/(Under) Expenses \$ (2,137,350.98) \$ (1,504,297.67) \$ (499,698.84)

FY14 Proposed Budget

Missouri Market Development Program

	FY13	FY13	Variance	FY14 Proposed
REVENUES	Budget	Estimated		Budget
Solid Waste Management Fund	\$ 1,856,765	\$ 724,294	\$ (1,132,471)	\$ 1,503,906
Investment Income	\$ 675	\$ 321	\$ (354)	
TOTAL REVENUES	\$ 1,857,440	\$ 724,614	\$ (1,132,826)	\$ 1,503,906
EXPENSES				
Administrative				
Program Salary/Fringe	\$ 95,000	\$ 89,008	\$ 5,992	\$ 95,000
Legal Expenses & Fees	\$ 1,000	\$ 1,590	\$ (590)	\$ 2,000
Travel	\$ 2,500	\$ 965	\$ 1,535	\$ 1,000
Accounting Fees	\$ 1,800	\$ 1,700	\$ 100	\$ 1,800
Conference/Registration Fees	\$ 1,500	\$ 1,364	\$ 136	\$ 1,000
EIERA Salary & Fringe	\$ 35,000	\$ 35,000	\$ -	\$ 35,000
Direct Costs	\$ 2,500	\$ 1,679	\$ 821	\$ 1,200
EIERA Expenses	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Planning	\$ 10,000	\$ 10,000	\$ -	\$ -
Equipment Purchases	\$ 1,000	\$ -	\$ 1,000	\$ -
Training	\$ 1,000	\$ -	\$ 1,000	\$ 800
Membership Fees	\$ 2,000	\$ 289	\$ 1,711	\$ 2,000
Total Administrative	\$ 163,300	\$ 151,595	\$ 11,705	\$ 149,800
Business Assistance				
Legal Expenses & Fees	\$ 10,000	\$ 5,207	\$ 4,793	\$ 6,000
Travel	\$ 2,000	\$ 1,430	\$ 570	\$ 2,500
Promos/Publication Design & Production	\$ 5,000	\$ -	\$ 5,000	\$ 1,000
Miscellaneous Expense	\$ 200	\$ -	\$ 200	\$ -
Direct Financial Assistance	\$ 1,088,085	\$ 218,262	\$ 869,824	\$ 469,042
Direct Financial Assistance-Encumbered	\$ 180,470	\$ 195,335	\$ (14,865)	\$ 766,539
Business Initiatives	\$ 200,000	\$ 22,644	\$ 177,356	\$ 25,000
Total Business Assistance	\$ 1,485,755	\$ 442,877	\$ 1,042,878	\$ 1,270,081
Technical Assistance				
Technical Assistance Projects	\$ 75,000	\$ -	\$ 75,000	\$ 25,000
Technical Assistance-Encumbered	\$ -	\$ -	\$ -	\$ 14,025
Contract Services - MO Enterprise	\$ 75,310	\$ 89,472	\$ (14,162)	\$ 25,000
Contract Services - MACOG	\$ 58,075	\$ 40,350	\$ 17,725	\$ 20,000
Total Technical Assistance	\$ 208,385	\$ 129,822	\$ 78,563	\$ 84,025
TOTAL EXPENSES/EXPENSE VARIANCE	\$ 1,857,440	\$ 724,294	\$ 1,133,146	\$ 1,503,906

FY14 Proposed Budget Brownfields Revolving Loan fund

FY14	Estimated	Anticipated	Proposed
Revenues:	Grant Balance	Loan Repayments	Budget
Federal Reimbursement	\$ 935,052	\$ -	\$ 935,052
EIERA Match	\$ 184,560	\$ -	\$ 184,560
Loan Repayments	\$ -	\$ 40,896	\$ 40,896
TOTAL REVENUES	\$ 1,119,612	\$ 40,896	\$ 1,160,508
Expenses:			
Office Salaries	\$ 96,799	\$ -	\$ 96,799
Payroll Taxes & Fringe	\$ 58,430	\$ -	\$ 58,430
Contractual Services	\$ 60,304	\$ 20,000	\$ 80,304
Travel Expense	\$ 12,332	\$ -	\$ 12,332
Supplies	\$ 1,100	\$ -	\$ 1,100
Grant/Loans	\$ 890,647	\$ 20,896	\$ 911,543
TOTAL EXPENSES	\$ 1,119,612	\$ 40,896	\$ 1,160,508

FY13 Estimated Revenues and Expenses Brownfields Revolving Loan Fund

	FY 13	FY13	Variance
Revenues:	Budget	Estimated	
Federal Reimbursement	\$ 1,501,176	\$ 640,424	\$ 860,752
EIERA	\$ 204,429	\$ 12,496	\$ 191,933
Loan Repayments	\$ 40,896	\$ 40,896	\$ -
TOTAL REVENUES	\$ 1,746,501	\$ 693,817	\$ 1,052,684
Expenses:			
Office Salaries	\$ 80,000	\$ 45,964	\$ 34,036
Payroll Taxes & Fringe	\$ 31,500	\$ 19,210	\$ 12,290
Contractual Services	\$ 30,000	\$ 41,668	\$ (11,668)
Travel Expense	\$ 3,700	\$ 1,008	\$ 2,692
Supplies	\$ 500	\$ -	\$ 500
Grant/Loans	\$ 1,600,801	\$ 582,654	\$ 1,018,147
TOTAL EXPENSES	\$ 1,746,501	\$ 690,504	\$ 1,055,997

**308th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**Jefferson City Office
325 Jefferson Street
Jefferson City, Missouri**

**September 12, 2013
10:00 a.m.
Telephone Conference
(866) 906-9888
Access Code 1703606#**

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 307th Meeting of the Authority Held July 25, 2013, in Jefferson City, Missouri
3. Missouri Market Development Program
 - A. Authorization to Increase the Award Amount to Lake Area Industries and Authorizing the Director or Her Designee to Amend the Agreement on Behalf of the Authority
 - B. Consideration and Approval of the Funding Recommendation for the Madison County Wood Products, Inc., and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
4. Other Business
 - A. Next Meeting Date (October 10, 2013)
 - B. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - C. Other
5. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate matters, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (2), (3) or (11) RSMo.

Members to be Present:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
LaRee DeFreece, Secretary
Deron Cherry, Treasurer

Staff to be Present:

Karen Massey, Director
Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

Beverly A. Marcin
Lewis, Rice & Fingersh, L.C.

State Environmental Improvement and Energy Resources Authority
308th Board Meeting
September 12, 2013

Agenda Item #3A
LAKE AREA INDUSTRIES

Issue:

A different, more expensive foam densifier is required to implement the Lake Area Industries project and the original amount is not sufficient to cover 75% of the equipment cost.

Action Needed:

Consideration of increasing the award amount through an amendment to the agreement with Lake Area Industries.

Staff Recommendation:

Staff recommends increasing the funding awarded to Lake Area Industries from \$20,715 to \$39,000, not to exceed 75% of the cost of the equipment, and authorizing an amendment to the agreement accordingly.

Staff Contact:

Kristin Tipton, Development Director

Background:

At the February 7, 2013 meeting of the Authority, Lake Area Industries was awarded \$20,715 toward the purchase of a Styrofoam condenser that would enable the sheltered workshop to process recovered dock foam from the Lake of the Ozarks. This is a project that was strongly supported by the Solid Waste Management District and the Missouri Department of Natural Resources, both of which are working cooperatively to facilitate this solution for a long term problem in the area. The first machine purchased turned out to be ineffective in dealing with the high water content of the foam. The vendor was able to replace this machine with a cold compaction machine that performed adequately except was undersized for the volume of material; the gearbox overheated and blew out the bearings along with the hydraulic system. A third, bigger and more robust, machine has been tested and found to be workable. The cost of this unit is \$52,000 and the vendor is willing to credit the cost of the original machine to its purchase. According to our eligibility points system, LAI would have been eligible for \$39,000 toward the purchase of this larger machine. LAI has already hired seven new employees with disabilities and one supervisor to fill the needs this project has created. Processing wet and dirty dock foam is a new endeavor for all involved and LAI believes the overall impact for the area will be tremendous.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommends amending the Lake Area Industries agreement to increase the funding awarded from \$20,715 to \$39,000, not to exceed 75% of the cost of the equipment.

For Fiscal Year 2014, the Missouri Market Development Program budget includes \$469,042 for direct financial assistance projects. At the time of this meeting, no financial assistance projects have been awarded in the current fiscal year.

KT:ge

State Environmental Improvement and Energy Resources Authority
308th Board Meeting
September 12, 2013

Agenda Item #3B
MADISON COUNTY WOOD PRODUCTS, INC.

Issue:

Madison County Wood Products, Inc., located in Fredericktown, MO, requested \$56,000 toward the purchase of equipment costing \$84,000 that would enable the company to reclaim waste wood and convert it into usable lumber to be sold or used as pallet components in its pallet manufacturing operation.

Action Needed:

Consideration of the funding recommendations for the Madison County, Inc. project.

Staff Recommendation:

Staff recommends awarding Madison County Wood Products, Inc. \$42,000 in financial assistance, not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton, Development Director

Background:

Madison County Wood Products, Inc., located in Fredericktown, MO, requested \$56,000 toward the purchase of equipment costing \$84,000 that would enable the company to reclaim waste wood and convert it into usable lumber to be sold or used as pallet components in its pallet manufacturing operation. Madison County Wood Products is a fully integrated operation involving timber purchasing, logging and milling. It is a second-generation family owned business with more than one hundred employees. This project will collect waste logs, lumber and slabs from area operations, helping them to avoid disposal fees of more than \$112,000 each year. This project is fully supported by Solid Waste Management District R due to the volume of wood waste in the region and limited opportunities for recovery. Madison County Wood Products anticipates creating six new full time employee positions and diverting 2,675 tons of waste annually with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$42,000, not to exceed 75% of the cost of the equipment. The funding recommendation is less than the amount requested because the recommended amount is the maximum amount for which the project is eligible.

For Fiscal Year 2014, the Missouri Market Development Program budget includes \$469,042 for direct financial assistance projects. At the time of this meeting, no financial assistance projects have been awarded in the current fiscal year.

KT:ge

**309th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
Jefferson City Office
425 Madison Street, 2nd Floor
Jefferson City, Missouri**

**October 24, 2013
10:00 a.m.
Telephone Meeting
(866) 906-9888
Access Code 1703606#**

1. Call to Order
2. Approval of Minutes
 - Approval of Minutes from the 308th Meeting of the Authority Held September 12, 2013, in Jefferson City, Missouri
3. State Revolving Fund Program

Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue and Sell Not to Exceed \$150,000,000 Principal Amount of Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs); Approving the Form of and Authorizing the Authority to Enter Into a Bond Indenture, an Escrow Deposit Agreement, a Federal Tax Certificate and a Purchase Contract in Connection with the Issuance of Said Bonds and Supplemental Indentures with Respect to the Herein Described Original Bonds; Approving the Form of and Authorizing the Authority to Execute an Official Statement Relating to Said Bonds; and Approving Certain Other Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Issuance of Said Bonds and the Supplemental Indentures with Respect to the Original Bonds
4. Other Business
 - Authorization for the Director or Her Designee to Negotiate and Enter into an Agreement with the Department of Natural Resources for Services Relating to Clean Water Fees
 - Other
 - Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - Next Meeting Date

5. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate matters, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (3) or (11) RSMo.

Members to be Present:

Andy Dalton, Chair
Ryan Doyle, Vice-Chair
LaRee DeFreece, Secretary
Deron Cherry, Treasurer

Staff to be Present:

Karen Massey, Director
Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Genny Eichelberger, Office Support Assistant

Legal Counsel to be Present:

Beverly A. Marcin
Lewis, Rice & Fingersh, L.C.

State Environmental Improvement and Energy Resources Authority
309th Board Meeting
October 24, 2013

Agenda Item #3
STATE REVOLVING FUND 2013A REFUNDING

Issue:

The movement in the financial markets has created more advantageous conditions for our proposed refunding. Staff has been working with the finance team to finalize the necessary documents and schedules, anticipating a bond closing in late November 2013.

Action Needed:

Consideration and approval of the attached resolution authorizing the Authority to issue and sell not to exceed \$150,000,000 in principal amount of refunding revenue bonds.

Staff Recommendation:

Staff recommends that the Board authorize the Director, or her designee, to proceed with the proposed refunding of certain EIERA SRF Revenue Bonds.

Staff Contact:

Joe Boland

Background:

Interest rates remain low continuing to make the refunding of certain EIERA SRF bonds very cost effective. At the July 25, 2013, Board meeting, you approved our selection of Bank of America Merrill Lynch as the Book Running Senior Managing Underwriter for this transaction. The movement in the financial markets has created more advantageous conditions for our proposed refunding. Based on the latest numbers, the proposed par amount to be refunded is approximately \$107,000,000, creating a net present value savings of \$6.8 million. Relevant portions of the Preliminary Official Statement (POS) are also attached to provide additional information on this transaction.

Attachments

JB:ge

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ISSUE AND SELL NOT TO EXCEED \$150,000,000 PRINCIPAL AMOUNT OF WATER POLLUTION CONTROL AND DRINKING WATER REFUNDING REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS); APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO A BOND INDENTURE, AN ESCROW DEPOSIT AGREEMENT, A FEDERAL TAX CERTIFICATE AND A PURCHASE CONTRACT IN CONNECTION WITH THE ISSUANCE OF SAID BONDS AND SUPPLEMENTAL INDENTURES WITH RESPECT TO THE HEREIN DESCRIBED ORIGINAL BONDS; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO EXECUTE AN OFFICIAL STATEMENT RELATING TO SAID BONDS; AND APPROVING CERTAIN OTHER DOCUMENTS AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS AND THE SUPPLEMENTAL INDENTURES WITH RESPECT TO THE ORIGINAL BONDS.

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects, and to refund its outstanding revenue bonds in whole or in part; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988, September 22, 1998, and July 31, 2009, the Authority has approved the development and implementation of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "Clean Water SRF Program") and the Missouri Leveraged State Drinking Water Revolving Fund Program (the "Drinking Water SRF Program" and, collectively with the Clean Water SRF Program, the "SRF Programs") and has stated its intent to issue its bonds or notes to finance projects pursuant to the SRF Programs, said bonds or notes to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, the Authority has issued certain series of its bonds under the SRF Programs, which bonds are collectively referred to as the "Original Bonds" pursuant to Bond Indentures, as amended (each an "Original Indenture" and collectively the "Original Indentures"), between the Authority and UMB Bank, N.A. and UMB Bank & Trust, N.A., as applicable, as original trustees or as successors and assigns (each an "Original Trustee" and collectively the "Original Trustees"); and

WHEREAS, the proceeds of the Original Bonds are being, or have been, applied to the costs of constructing certain wastewater treatment, sanitary sewerage and water pollution control facilities and drinking water facilities by the participants in the SRF Programs (each a “Participant”); and

WHEREAS, paragraphs f and j of Section 8.1 of each of the Original Indentures authorize the Authority and the Original Trustee to enter into indentures supplemental to the applicable Original Indenture without the consent of, or notice to, any of the holders of the applicable Original Bonds to provide for the refunding or advance refunding of any of the Original Bonds and to make any other change which, in the sole judgment of the Original Trustee, does not materially adversely affect the interests of the owners of any of the applicable Original Bonds outstanding; and

WHEREAS, Section 8.3 of each Original Indenture provides that before the Authority and the Original Trustee enter into a supplemental indenture there shall have been delivered to the Authority, the Original Trustee, the Department of Natural Resources (“DNR”) and the applicable Participants an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the applicable Original Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion of interest on the applicable Original Bonds from gross income for federal income tax purposes; and

WHEREAS, the Authority has determined to amend the Original Indentures, to issue a series of refunding bonds pursuant to the Act to be designated and in the maximum aggregate principal amount as provided in this Resolution (the “Bonds”) for the hereinafter described purposes, and to authorize certain documents; and

WHEREAS, the Authority further finds and determines that it is necessary and desirable in connection with the issuance and sale of the Bonds that the Authority enter into certain documents and approve certain other documents and take certain other actions in connection with the issuance of the Bonds as herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section 1. Findings and Determinations. The Authority hereby finds and determines that the issuance of its refunding bonds under the Act to provide funds to refinance a portion of the costs of construction of the projects financed with the proceeds of the Original Bonds is in the public interest and within the power and authority vested in the Authority under the Act and will be in furtherance of the objectives and public purposes of the Act, in that the refinancing of the costs of the Projects will result in additional monies for the SRF Programs, and will provide for the public health, safety and welfare of the residents of the State of Missouri by promoting, developing and assisting in the construction of wastewater treatment, sanitary sewerage and water pollution control and drinking water facilities in the State of Missouri. The Authority hereby approves the Application Letter dated October 11, 2013, submitted by Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as senior book running underwriter, for the issuance and sale of the Bonds and declares the intent of the Authority to issue the Bonds pursuant to the Act and in accordance with the SRF Programs.

Section 2. The action of publishing notice in *The Kansas City Star* on October 11, 2013 and also in the *O.A. News* in Jefferson City regarding a public hearing to be held on October 25, 2013, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), is in all respects hereby authorized, directed, ratified, and approved. The Authority hereby approves the financing and recommends the issuance of the Bonds for approval by the Governor of the State of Missouri, the applicable elected representative (as defined in Section 147(f) of the Code) of the State of Missouri, and requests the Governor to sign a statement signifying such approval. The Director and Deputy Director of the Authority or her or his designee is hereby authorized and directed to take all necessary action in regard to obtaining the approval of the Governor, and the Secretary of the Authority is authorized and directed to deliver such request to the Governor with a summary of any comments made at the public hearing regarding the proposed plan to issue the Bonds.

Section 3. Authorization of the Bonds. For the purposes of refinancing a portion of the costs of the construction of the Projects pursuant to the SRF Programs, the Authority hereby authorizes the issuance and sale, pursuant to Section 260.050 of the Act, of its Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) in the aggregate principal amount not to exceed \$150,000,000. The Bonds shall be dated as of the date of delivery of the Bonds and shall be issued as fully registered Bonds, without coupons, in the denominations as are set forth in the hereinafter authorized Indenture. The Bonds shall be in one or more series, shall mature or be subject to mandatory sinking fund redemption on the dates no later than July 1, 2028 and shall bear interest at rates not to exceed 7% per annum, payable semiannually on each January 1 and July 1, as such series, maturities, principal amounts and interest rates shall be approved by the Chairman or Vice Chairman by the execution of the Purchase Contract hereinafter referred to between the Authority and the Underwriters (defined below). The Bonds shall be in such forms, shall have such terms and provisions, shall be issued, executed and delivered in such manner and subject to such provisions, covenants and agreements, and shall be equally and ratably secured both as to principal and interest by the Indenture. The Indenture provides a complete description of the pledged property and revenues constituting the Trust Estate, the nature and extent of the security for the Bonds, a statement of the terms and conditions on which the Bonds are to be issued and secured, the rights, duties, obligations and immunities of the Authority, the rights, duties, obligations and immunities of the Trustee, and the rights of the holders of the Bonds. Because of the characteristics of the Bonds, the principal amount thereof, the acceptability in the public bond market of similar issues, the prevailing market conditions and the advice of the Underwriters hereinafter referred to that a private sale will result in the most favorable interest rates on the Bonds, the Authority hereby finds that it is in the best interest of the Authority to sell the Bonds at a private sale pursuant to the Purchase Contract. The issuance of the Bonds is conditioned on achieving a minimum net present value savings from the Original Bonds of two percent (2%) in the aggregate, after payment of all costs of issuance relating to the Bonds.

Section 4. Limited Obligations. The Bonds shall be limited obligations of the Authority payable solely out of the payments, revenues and receipts to be derived by the Authority pursuant to the herein referred to Supplemental Indentures and from certain other moneys pledged under the Indenture, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture. The Bonds do not constitute or create an indebtedness, liability or moral obligation of any Participant, the State, any political subdivision thereof, the United States of America or any agency thereof, the United States Environmental Protection Agency (“EPA”), DNR, the Clean Water Commission or the Safe Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State of Missouri or any political subdivision thereof liable on the Bonds. No covenant, stipulation, obligation or agreement contained herein or in the Bonds shall be deemed to be a covenant,

stipulation, obligation or agreement of any present or future trustee, officer, member, director, employee or agent of the Authority in his or her individual capacity.

Section 5. Authorization of Authority Documents. The Authority is hereby authorized to enter into the following documents (the “Authority Documents”), in substantially the forms presented and reviewed by the Authority at this meeting (copies of which documents shall be filed with the records of the Authority), with such final terms and such changes therein as shall be approved by the officers of the Authority executing such documents, such officers’ signatures thereon being conclusive evidence of their approval thereof:

- (a) Bond Indenture (the “Indenture”) dated as of the first day of the month in which the Bonds are issued or such other date as approved by the officers of the Authority executing the document (the “Document Date”), between the Authority and UMB Bank, N.A., as trustee (the “Trustee”);
- (b) Purchase Contract to be dated the date of its execution and delivery (the “Purchase Contract”) among the Authority and Merrill Lynch, Pierce, Fenner & Smith, Incorporated, and the other underwriters named therein (collectively the “Underwriters”);
- (c) Escrow Deposit Agreement dated as of the Document Date (the “Escrow Agreement”) between the Authority and UMB Bank, N.A., as Escrow Agent;
- (d) Federal Tax Certificate dated as of the Document Date; and
- (e) Supplemental Indentures dated as of the Document Date, with respect to the Original Indentures for which Original Bonds are refunded by the Bonds (in the form of the model supplemental indenture, with appropriate series by series modifications, each a “Supplemental Indenture” and collectively, the “Supplemental Indentures”), between the Authority and the applicable Original Trustees.

Section 6. Authorization of Letter of Instructions and Investment Agreement. The Chairman or Vice Chairman is hereby authorized and directed to execute letters of instructions or certificates (i) requesting and authorizing the Trustee to authenticate and deliver the Bonds to the Underwriters, (ii) ordering and directing the Trustee as to the deposit of the proceeds of the Bonds, (iii) directing the Trustee as to the application of the proceeds of the Bonds, and (iv) setting forth how proceeds deposited in certain funds and accounts shall be invested and, in connection with said investments, authorizing the purchase of certain securities in accordance with the terms of the Indenture. Certain fees and expenses to be paid out of the proceeds of the Bonds shall be as set forth in Schedule 1 attached hereto. The Trustee is authorized to enter into an Investment Agreement (within the meaning of the Indenture) providing for the investment of the Funds and Accounts established under the Indenture, if any.

Section 7. Authorization of Preliminary Official Statement and Official Statement. The form and provisions of the Preliminary Official Statement relating to the sale of the Bonds, in the form presented at this meeting, is hereby approved, and the Authority authorizes the use of the Preliminary Official Statement and the information therein in connection with the offering and sale of the Bonds by the Underwriters in accordance with applicable legal requirements. The Authority hereby authorizes and directs the Underwriters to prepare and distribute a final Official Statement in connection with the offering and sale of the Bonds, said Official Statement to be substantially in the form of the Preliminary Official Statement with

such changes therein as shall be necessary to complete the Preliminary Official Statement and as shall otherwise be deemed by the Underwriters to be necessary and as shall be authorized by the Chairman or the Vice Chairman, such approval to be conclusively evidenced by the delivery of the Bonds.

Section 8. Execution of Bonds and Documents. The Chairman or the Vice Chairman is hereby authorized and directed to execute the Bonds, manually or by facsimile signature, and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Authority in the manner provided in the Indenture. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Authority Documents for and on behalf of and as the act and deed of the Authority. The Secretary or the Assistant Secretary is hereby authorized and directed to attest, manually or by facsimile signature, to the Bonds and the Authority Documents, and to such other documents, certificates and instruments, including any document with respect to the pledge of the Authority's interest in net participant payments to the Master Trustee under the Master Trust Agreement dated as of November 1, 2010, as amended between the Authority and the Master Trustee, any amendment or supplement to the Master Pledge Agreement dated as of November 1, 2010 between the Authority and DNR, and the Amended and Restated Master Trust Agreement dated March 1, 2004, as amended, between the Authority and UMB Bank, N.A., as master trustee, as may be necessary or desirable in connection with the issuance of the Bonds, and further, as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 9. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including applications for the registration of the Bonds under state securities laws, and to carry out, comply with and perform the duties of the Authority with respect to the Bonds and the Authority Documents.

[remainder of page left intentionally blank]

Section 10. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 24th day of October, 2013.

Chairman of the Authority

(Seal)

ATTEST:

Secretary of the Authority

Exhibit "A"

SCHEDULE 1

COSTS OF ISSUANCE*

Authority Refunding Fee	\$189,755
Authority Application Fee	2,500
Bond Counsel Fee	153,000
Underwriters' Counsel Fees	100,000
Financial Advisor Fees	75,000
Authority's Counsel Fees	69,020
Trustee Acceptance Fees	13,900
Trustee Fee	28,880
Escrow Verification Cost	5,000
Escrow Agent Fees	10,000
Rating Agency Expenses**	150,000
Printing Expenses (POS, OS) and Blue Sky Filing Fees (not to exceed \$500)**	4,000
Closing, Clearing and Contingency Expenses**	15,000
Underwriters' Expenses**	14,670
Underwriters' Fee	377,850
Bookrunner Management Fee***	<u>25,000</u>
Total Costs of Issuance and Underwriters' Fee	<u>\$1,233,575</u>

* These figures are based on an issuance size of \$106,185,000 and will be adjusted accordingly to reflect actual Bond issue size and participants.

** Expenses shall not exceed the indicated amount and only verified amounts actually paid will be reimbursed.

*** Fee shall not exceed the indicated dollar amount; actual fee to be negotiated at pricing.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2013

NEW ISSUE
Book-Entry OnlyRATINGS: Moody's: __
Fitch: __
See "RATINGS" herein

In the opinion of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, except as described in this Official Statement, and is not an item of tax preference for the purposes of the federal alternative minimum tax imposed on individuals and corporations, (2) the interest on the Bonds is exempt from income taxation by the State of Missouri and (3) the Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" herein and the form of opinion of Bond Counsel attached hereto as Appendix E.



\$106,920,000*
State Environmental Improvement and Energy Resources Authority
(State of Missouri)
Water Pollution Control and Drinking Water Refunding Revenue Bonds
(State Revolving Funds Programs)
Series 2013A

Dated: Date of Delivery

Due: January 1 and July 1, as shown on inside cover

The State Environmental Improvement and Energy Resources Authority (the "Authority") is issuing its Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2013A (the "Bonds") pursuant to a Bond Indenture dated as of November 1, 2013 (the "Indenture") between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee and bond registrar (the "Trustee"). The Authority has issued certain series of bonds (the "Original Bonds"), the proceeds of which were loaned by the Authority to Missouri governmental entities and nonprofit corporations (the "Participants") in connection with the financing of wastewater treatment and sanitary sewerage facilities and drinking water facilities. Net proceeds of the Bonds will be used to refund portions of the Original Bonds (the "Refunded Bonds") as described herein, and to pay issuance costs. Terms not otherwise defined on this cover page have the meanings set forth herein.

The Bonds are issuable only as fully registered bonds, without coupons, and when issued will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. See "DESCRIPTION OF THE BONDS – Book-Entry Only System" herein. Principal of and redemption premium, if any, on the Bonds is payable to the registered owners of the Bonds at the maturity or redemption date thereof upon the surrender thereof at the principal payment office of the Trustee. Interest on the Bonds is payable semiannually on each January 1 and July 1, commencing on January 1, 2014.

The Bonds are limited obligations of the Authority payable solely from revenues and receipts derived by the Authority consisting of moneys transferred to the Trustee by the 2010 Master Trust Agreement from amounts available under the 2010 Master Trust Agreement (the "Indenture Receipts") and certain amounts pledged pursuant to the 2004 Master Trust Agreement. The Bonds are 2010 Master Trust Bonds and are secured on a parity basis by the Pledged Participant Obligations and Pledged Net Participant Payments with all 2010 Master Trust Bonds. See "SECURITY AND SOURCE OF PAYMENT OF THE BONDS" and "SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS" herein.

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State of Missouri (the "State"), any political subdivision thereof, the United States of America or any agency thereof, the Missouri Department of Natural Resources, the Missouri Clean Water Commission or the Missouri Safe Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

The Bonds are subject to redemption prior to maturity as described under "DESCRIPTION OF THE BONDS – Redemption" herein.

See the inside cover page for maturities, principal amounts, interest rates, prices, yields and CUSIP numbers

This cover page contains information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Authority and accepted by the Underwriters, subject to prior placement, withdrawal or modification of the offer without notice and subject to the approval of their validity by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed upon for the Authority by its General Counsel, Lewis, Rice & Fingersh, L.C., St. Louis, Missouri. Certain legal matters will be passed upon for the Underwriters by Thompson Coburn LLP, St. Louis, Missouri, and the Hardwick Law Firm LLC, Kansas City, Missouri. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about November __, 2013.

BofA Merrill Lynch

Citigroup
Piper Jaffray & Co.
Siebert Brandford Shank & Co., L.L.C.

Wells Fargo Securities

George K. Baum & Company
J.P. Morgan
Stifel

The date of this Official Statement is November __, 2013.

* Preliminary, subject to change.

\$106,920,000*
State Environmental Improvement and Energy
Resources Authority (State of Missouri)
Water Pollution Control and Drinking Water Refunding Revenue Bonds
(State Revolving Funds Programs)
Series 2013A

Maturity Schedule*
Base CUSIP: 60636P

<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP Numbers¹</u>
January 1, 2014	\$2,100,000	%	%	%	
July 1, 2014	1,000,000				
January 1, 2015	20,000				
July 1, 2015	1,040,000				
January 1, 2016	25,000				
July 1, 2016	2,710,000				
January 1, 2017	25,000				
July 1, 2017	6,175,000				
January 1, 2018	35,000				
July 1, 2018	2,135,000				
January 1, 2019	1,555,000				
July 1, 2019	3,170,000				
January 1, 2020	25,000				
July 1, 2020	7,755,000				
January 1, 2021	25,000				
July 1, 2021	12,170,000				
January 1, 2022	4,675,000				
July 1, 2022	12,385,000				
January 1, 2023	2,270,000				
July 1, 2023	13,895,000				
July 1, 2024	15,290,000				
January 1, 2025	860,000				
July 1, 2025	10,545,000				
January 1, 2026	6,815,000				
January 1, 2027	220,000				

* Preliminary, subject to change.

¹ CUSIP numbers shown above have been assigned by an organization not affiliated with the Authority. The Authority was not responsible for the selection of CUSIP numbers nor does it make any representation as to the correctness of such numbers on the Bonds or as indicated herein.

Membership of the Authority

There is currently one vacancy on the Authority. The current members of the Authority, their titles and expiration dates of their terms of office are as follows:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
William "Andy" Dalton	Chairman	January 1, 2012 ¹
Ryan Doyle	Vice Chairman	January 1, 2008 ¹
Deron L. Cherry	Treasurer	January 22, 2007 ¹
LaRee DeFreece	Secretary	January 1, 2011 ¹

¹ Members continue to serve until reappointed or replaced as provided by Missouri law.

Karen L. Massey serves as Director of the Authority. The principal office of the Authority is located at 425 Madison Street, P.O. Box 744, Jefferson City, Missouri 65101. The Authority's telephone number is: (573) 751-4919.

Other Indebtedness

The Authority has heretofore sold and delivered other bonds and notes secured by instruments separate and apart from those securing the Master Trust Bonds. The holders and owners of such bonds and notes have no claim on assets, funds or revenues of the Authority held under the Indenture pursuant to which the Bonds are issued and the owners of the Bonds will have no claim on assets, funds or revenues of the Authority securing other bonds and notes.

With respect to additional indebtedness of the Authority, the Authority intends to enter into separate agreements in the future with other entities for the purpose of providing financing for other eligible projects and programs. Bonds which may be issued by the Authority for such other entities in the future will be created under separate and distinct bond indentures or resolutions and, except as provided herein, secured by instruments, properties and revenues separate from those securing the Bonds.

MISSOURI DEPARTMENT OF NATURAL RESOURCES, MISSOURI CLEAN WATER COMMISSION AND MISSOURI SAFE DRINKING WATER COMMISSION

Missouri Department of Natural Resources

DNR has authority to administer the programs of the State relating to environmental control and the conservation and management of natural resources. DNR has entered into Capitalization Grant Agreements (as defined herein) with the United States Environmental Protection Agency (the "EPA") to administer the Clean Water SRF Program and has entered into separate Capitalization Grant Agreements with the EPA to administer the Drinking Water SRF Program. With respect to the Clean Water SRF Program, DNR annually prepares an intended use plan ("Clean Water IUP"), which is subsequently adopted by the Clean Water Commission through a public hearing process, identifying wastewater treatment projects that are eligible for assistance from the Clean Water SRF Program. Similarly, with respect to the Drinking Water SRF Program, DNR annually prepares an intended use plan ("Drinking Water IUP"), which is subsequently adopted by the Drinking Water Commission through a public meeting process, identifying drinking water projects that are eligible for assistance from the Drinking Water SRF Program.

Master Trust Administration

Prior to the issuance of the Bonds, the Authority has issued \$2,108,722,661 aggregate principal amount of Master Trust Bonds secured by the 2004 Master Trust Agreement and \$172,750,000 of Master Trust Bonds secured by the 2010 Master Trust Agreement.

In the history of the Program, the reserve security has never been drawn upon to cover a default because of a Drinking Water SRF Leveraged Program or Clean Water SRF Leveraged Program participant's failure to make a principal or interest payment on their obligations secured by the 2004 Master Trust Agreement. Similarly, no Master Trust Participant has failed to make a principal or interest payment on their obligations in the history of the Programs.

After the 2010 Master Trustee transfers amounts from the Clean Water Principal Account and the Drinking Water Principal Account to each trustee for a series of 2010 Master Trust Bonds, for payment of debt service on the Clean Water Leveraged Portion and the Drinking Water Leveraged Portion, respectively, the 2010 Master Trustee shall transfer any excess moneys on deposit in the Clean Water Principal Account to the Drinking Water Principal Account necessary to pay debt service on the Drinking Water Leveraged Portion and the 2010 Master Trustee shall transfer any excess moneys on deposit in the Drinking Water Principal Account to the Clean Water Principal Account to pay debt service on the Clean Water Leveraged Portion then to DNR.

THE AUTHORITY

General

The Authority is a body corporate and politic and a governmental instrumentality of the State organized and existing under the laws of the State. Pursuant to the Act, the Authority is authorized to issue the Bonds and to provide for the security of the Bonds as herein described. To accomplish such actions the Authority is authorized to enter into the Indenture, the Escrow Agreement and the Master Trust Agreements.

The purpose of the Authority is to provide for the conservation of the air, land and water resources of the State by the prevention or reduction of pollution and by proper methods of disposal of solid waste or sewage and to provide for the furnishing of water facilities. The Act confers upon the Authority the power to acquire, construct, improve and finance facilities for the reduction of pollution or disposal of solid waste or sewage and to provide for the furnishing of water facilities, and to issue bonds or notes to pay the costs of such facilities. The Authority also has general powers which include the power to make and execute contracts and other instruments necessary or convenient to carry out its purposes. The Authority has no taxing power.

[Remainder of page intentionally left blank]

2004 Master Trust Debt Service and Scheduled Releases of Reserves Available To Cover Default

Year Ending December 31	Aggregate Outstanding 2004 Master Trust Bonds Debt Service	Aggregate Scheduled Reserve Releases¹
2013	\$113,783,615.80	\$40,762,084.81
2014	107,721,142.42	38,084,869.37
2015	104,956,431.93	35,488,999.62
2016	98,252,627.80	33,133,163.42
2017	86,856,056.45	32,935,068.66
2018	81,698,415.23	35,018,573.87
2019	75,229,270.23	34,307,804.72
2020	63,854,243.48	24,215,316.38
2021	53,241,413.35	18,908,195.75
2022	51,013,604.22	17,839,597.14
2023	45,485,258.70	12,266,207.92
2024	36,985,214.81	17,159,316.02
2025	27,756,559.78	18,528,319.42
2026	27,355,245.50	18,125,161.14
2027	16,255,919.75	10,764,708.97
2028	10,929,697.00	7,444,013.43
2029	7,587,831.25	5,282,774.69

¹ See "SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS - 2004 Master Trust Agreement" herein for a discussion of the priorities with respect to the availability of reserve releases to pay debt service on Master Trust Bonds.

In connection with the Authority's issuance of three series of refunding bonds secured by the 2004 Master Trust Agreement in 2001, 2004 and 2010 (the "**2001, 2004 and 2010 Master Trust Refunding Bonds**"), a portion of the reserve security securing the related remaining original Authority bonds was released from the pledge of the 2004 Master Trust Agreement. In connection with the Authority's issuance of the Series 2011A Refunding Bonds (collectively, the Series 2011A Refunding Bonds and the 2001, 2004 and 2010 Master Trust Refunding Bonds are referred to herein as the "**Master Trust Refunding Bonds**"), a portion of the reserve security securing the Remaining Original Bonds related to the Series 2011A Refunding Bonds was released from the pledge of the 2004 Master Trust Agreement. As part of the Plan of Refunding for the Bonds, \$ _____* constituting a portion of the reserve security securing the Remaining Original Bonds related to the Refunded Bonds (the "**De-Pledged Master Trust Amount**"), will be released from the pledge of the 2004 Master Trust Agreement on the issue date of the Bonds and will no longer be available under the 2004 Master Trust Agreement to pay debt service on any Master Trust Bonds, including the Master Trust Refunding Bonds. The De-Pledged Master Trust Amount (1) will continue to be invested under the investment agreements or in United States Treasury or agency obligations as described "**SECURITY FOR THE ORIGINAL BONDS - The Original Investment Agreements in Connection with the Original Bonds**" herein, (2) will continue to be reserve security for the Remaining Original Bonds, and (3) as the Participant Obligations are repaid, will be transferred by the applicable bond trustee with respect to each series of Original Bonds directly to DNR for deposit to the Water and Wastewater Loan Fund or the Drinking Water Revolving Fund, as applicable.

* Preliminary, subject to change.

Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT.”

2004 Master Trust Agreement

The Bonds are further secured by certain amounts available under the 2004 Master Trust Agreement, consisting primarily of releases of amounts held in the Reserve Accounts under the indentures for various series of bonds secured by the 2004 Master Trust Agreement. Pursuant to the 2004 Master Trust Agreement, de-allocation of reserve amounts of each series of 2004 Master Trust Bonds are available to pay shortfalls for any series of Master Trust Bonds, including the Bonds.

Pursuant to the 2004 Master Trust Agreement, the funds released from the Reserve Account of each Participant are deposited in the Unallocated Fund held by the 2004 Master Trustee. Moneys in the Clean Water Account or the Drinking Water Account of the Unallocated Fund are (i) if the remaining balance of that Reserve Account is insufficient to timely pay debt service on the related 2004 Master Trust Bonds, or no reserve secures such 2004 Master Trust Bonds, applied to the payment of debt service on the Master Trust Bonds or (ii) transferred to a participant account within a dedicated reserve fund (for the applicable series) held by the 2004 Master Trustee as an additional reserve if a payment default by a 2004 Master Trust Participant has resulted in a withdrawal from that Participant's Reserve Account. If moneys in the Clean Water Account are not applied for those purposes, the moneys are available, on a subordinate basis, to provide an additional reserve for a defaulting 2004 Master Trust Participant under the Drinking Water SRF Leveraged Loan Program or to pay debt service on the related 2004 Master Trust Bonds and moneys in the Drinking Water Account are available to provide an additional reserve for a defaulting 2004 Master Trust Participant under the Clean Water SRF Leveraged Loan Program.

If the 2004 Master Trustee receives a Deficiency Notice from the 2010 Master Trustee, the 2004 Master Trustee will apply moneys in the Unallocated Fund on the Interest Payment Date on a proportionate basis first, to the payment of debt service on any Master Trust Bonds; second, to the funding of any deficiency of a carry-forward balance required in any debt service account representing an amount which the 2010 Master Trustee is instructed to maintain for debt service on the next Interest Payment Date, and third, to fund any reserve, subsidy or other fund established under the 2010 Master Trust Agreement and 2004 Master Trust reserve account deficiency. Clean water funds will be applied first to clean water deficiencies and drinking water funds will be applied first to drinking water deficiencies to the maximum extent possible. Any moneys in the Unallocated Fund remaining on an Interest Payment Date after any application described above are released to DNR.

The table below sets forth, for each year ending December 31, the aggregate debt service on all 2004 Master Trust Bonds outstanding and amounts scheduled to be available pursuant to the 2004 Master Trust Agreement to cover payment defaults on all Master Trust Bonds. This table should be read in conjunction with the provisions of the 2004 Master Trust Agreement relating to the availability of funds held thereunder to cover defaults.

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State Match Portions on the Interest Payment Date, the 2010 Master Trustee determines that it will have insufficient funds to pay debt service on any 2010 Master Trust Bonds and any other amounts due under the 2010 Master Trust Agreement, the 2010 Master Trustee will provide a Deficiency Notice to the 2004 Master Trustee by opening of business on an Interest Payment Date. The 2010 Master Trustee will apply moneys received from the 2004 Master Trustee in the order set forth in the Deficiency Notice as more fully described below.

If the 2010 Master Trustee receives a 2004 Master Trust Deficiency Notice from the 2004 Master Trustee, after applying moneys in the Clean Water Interest Account and the Drinking Water Interest Account to the payment of any State Match Portions on the Interest Payment Date, the 2010 Master Trustee will apply moneys in the Repayment Fund on the Interest Payment Date on a proportionate basis first, to the payment of debt service on any Master Trust Bonds; second, to the funding of any deficiency of a carry-forward balance required in any debt service account representing an amount which the 2010 Master Trustee is instructed to maintain for debt service on the next Interest Payment Date and third, to fund any reserve, subsidy or sinking fund established under the 2010 Master Trust Agreement and 2004 Master Trust reserve account deficiency. Clean water funds will be applied first to clean water deficiencies and drinking water funds will be applied first to drinking water deficiencies to the maximum extent possible. See **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT.”**

Substitution of Obligations. DNR may substitute or add Pledged Participant Obligations by delivering (i) a certificate (a “**Substitution Certificate**”) executed by an Authorized Officer of DNR showing that each of the semiannual principal and interest payments on the substituted Pledged Participant Obligations is at least equal to each of the semiannual principal and interest payments on the replaced Pledged Participant Obligations or (ii) a certificate executed by an Authorized Officer of the Authority (a “**Cash Flow Certificate**”), showing that, after the substitution, expected Repayments on Pledged Participant Obligations, Pledged Net Participant Payments, and expected earnings on any reserve, subsidy or other fund established under the 2010 Master Trust Agreement and other funds available for the payment of debt service are sufficient to timely pay the debt service on the outstanding 2010 Master Trust Bonds. See **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT.”**

Under the Pledge Agreement, DNR covenants that in connection with any substitution or addition of Pledged Participant Obligations, it will deliver a certificate executed by an Authorized Officer of DNR to the Authority, the 2010 Master Trustee and each paying agent for the Pledged Participant Obligations (a “**DNR Notice of Pledged Participant Obligations**”), directing the applicable paying agents to transfer the Repayments to the 2010 Master Trustee for deposit to the Repayment Fund no later than each Interest Payment Date. See **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT– Deposits to Repayment Fund”** and “**– Withdrawals from the Repayment Fund.**”

Under the 2010 Master Trust Agreement, Repayments of future Pledged Participant Obligations and any future Pledged Net Participant Payments and interest earnings on such amounts will be pledged to the payment of all outstanding 2010 Master Trust Bonds on a parity basis.

Additional 2010 Master Trust Bonds. The 2010 Master Trust Agreement contains conditions that must be satisfied for future series of Master Trust Bonds to be secured by the 2010 Master Trust Agreement. Assuming such conditions are satisfied and such series are so designated by the Authority, all future series of 2010 Master Trust Bonds will be secured by the 2010 Master Trust Agreement. See

Projected Sufficiency of Repayments and Pledged Net Participant Payments

Upon the issuance of the Bonds, the Authority will deliver to the Trustee a Cash Flow Certificate, executed by an Authorized Officer of the Authority. The actual amounts received by the 2010 Master Trustee, including the actual Repayments on Pledged Participant Obligations and Pledged Net Participant Payments are subject to various factors, including general economic conditions, the demand for loans, the credit of the Participants, the credit quality of the issuers of investment securities in which moneys are invested, the availability of investment securities in which to invest moneys at sufficient rates and possible early termination of investments. As a result of these and other factors, the actual cash flow received by the 2010 Master Trustee may differ from the assumed cash flow, and these differences may be material, which may affect the ability to pay debt service on the Bonds when due.

SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS

2010 Master Trust Agreement

The 2010 Master Trust Agreement establishes a Repayment Fund consisting of a Clean Water Principal Account, a Clean Water Interest Account, a Drinking Water Principal Account and a Drinking Water Interest Account. Under the Pledge Agreement, DNR has granted, assigned and transferred to the Authority a security interest in all of its rights, title and interest in and to Repayments on the Pledged Participant Obligations. Under the Authority Pledge Agreement, the Authority has granted, assigned and transferred to the Master Trustee a security interest in all of its rights, title and interest in and to the Pledged Net Participant Payments, subject in all respects to prior pledges by the Authority to the 2004 Master Trustee in connection with the issuance of its prior refunding bonds in 2001, 2004 and 2010 which partially refunded certain series of Original Bonds issued under the 2004 Master Trust Agreement. The 2010 Master Trustee will deposit all Repayments on Pledged Participant Obligations and Pledged Net Participant Payments to the applicable account of the Repayment Fund, which amounts serve as security for the payment of principal of, premium, if any, and interest on all 2010 Master Trust Bonds, including the Bonds, and any future 2010 Master Trust Bonds, on a parity basis.

Flow of Funds. Monies transferred to the 2010 Master Trustee are deposited in the applicable account of the Repayment Fund. The principal portion of Repayments on Pledged Participant Obligations and Pledged Net Participant Payments of Clean Water Participants are deposited into the Clean Water Principal Account and the principal portion of Repayments on Pledged Participant Obligations and Pledged Net Participant Payments of Drinking Water Participants are deposited into the Drinking Water Principal Account. The interest portion of Repayments on Pledged Participant Obligations and Pledged Net Participant Payments of Clean Water Participants are deposited into the Clean Water Interest Account and the interest portion of Repayments on Pledged Participant Obligations and Pledged Net Participant Payments of Drinking Water Participants are deposited into the Drinking Water Interest Account.

The 2010 Master Trustee will make withdrawals from the Repayment Fund for (i) the payment of State Match Portion debt service (solely from amounts in the Clean Water Interest Account and the Drinking Water Interest Account), (ii) the payment of Leveraged Portion debt service and (iii) funding any required carry-forward balances within the accounts of the Repayment Fund. See **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT – Withdrawals from Repayment Fund”** for a more detailed discussion of withdrawals from the Repayment Fund.

If on the Business Day preceding any Interest Payment Date, assuming the application of moneys in the Clean Water Interest Account and the Drinking Water Interest Account first to the payment of any

2004 Master Trust Agreement. The 2004 Master Trust Agreement provides security for all Master Trust Bonds from amounts deposited into the Unallocated Fund consisting primarily of amounts released from participant reserve accounts as debt service payments are made on the 2004 Master Trust Bonds secured by the 2004 Master Trust Agreement. See “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS – 2004 Master Trust Agreement**” herein.

The Bonds are not secured by the Reserve Accounts established in connection with the Original Bonds. No reserve fund has been established to secure the Bonds under the Indenture. The Bonds are secured, however, by the Master Trust Agreements. See “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS**” herein.

DEBT SERVICE SCHEDULE AND CASH FLOW SUFFICIENCY

The following table sets forth the debt service requirements for the outstanding 2010 Master Trust Bonds, the Bonds, and projected cash flow from Repayments on Pledged Participant Obligations and Pledged Net Participant Payments available to pay debt service on all outstanding 2010 Master Trust Bonds. This table does not include amounts attributable to scheduled releases of reserves under the 2004 Master Trust Agreement which are available to cover any shortfall on any Master Trust Bonds. See the table captioned “**2004 Master Trust Debt Service and Scheduled Releases of Reserves Available to Cover Default**” under “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS**” herein for a schedule of such reserve releases.

<u>Year Ending December 31</u>	<u>Debt Service on Outstanding 2010 Master Trust Bonds</u>	<u>Series 2013A Bonds</u>		<u>Total 2010 Master Trust Bonds Debt Service</u>	<u>Total Projected Revenues¹</u>
		<u>Principal</u>	<u>Interest</u>		
2013	\$ 12,680,062.50	\$	\$	\$	\$ 20,630,792.45
2014	13,771,662.50				26,589,112.71
2015	13,698,412.50				27,384,543.63
2016	15,937,387.50				31,834,995.75
2017	14,308,987.50				31,353,616.04
2018	14,713,012.50				29,752,793.11
2019	12,342,112.50				27,825,938.78
2020	19,454,462.50				39,712,693.94
2021	19,122,812.50				44,228,922.61
2022	22,722,712.50				43,166,903.32
2023	22,180,687.50				43,300,407.90
2024	22,754,562.50				37,900,690.00
2025	15,621,687.50				31,922,029.28
2026	4,856,437.50				22,334,588.51
2027	4,741,937.50				15,397,178.14
2028	4,628,437.50				14,996,908.83
2029	4,375,687.50				14,664,966.18
2030	3,706,937.50				12,705,017.76
Total	\$241,618,000.00	\$	\$	\$	\$515,702,098.91

¹ Preliminary, subject to change. Total Projected Revenues consist of Repayments on Pledged Participant Obligations and Pledged Net Participant Payments.

Indenture Receipts Transferred from the 2010 Master Trustee. The 2010 Master Trust Agreement established a Repayment Fund consisting of a Clean Water Principal Account, a Clean Water Interest Account, a Drinking Water Principal Account and a Drinking Water Interest Account. Monies on deposit in the Repayment Fund are pledged and assigned as security for all 2010 Master Trust Bonds, including the Bonds. See “- Master Trust Agreements” below and “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS**” herein. No later than each Interest Payment Date or other date on which debt service is due on the Bonds, the 2010 Master Trustee will transfer amounts on deposit in the applicable accounts of the Repayment Fund to the Trustee for deposit to the applicable accounts of the Debt Service Fund.

Indenture Receipts received by the Trustee attributable to debt service payments on Pledged Participant Obligations and Pledged Net Participant Payments of Clean Water Participants will be deposited into the Clean Water Account of the Debt Service Fund and applied to pay debt service on the Clean Water Portion and moneys received by the Trustee attributable to debt service payments on Pledged Participant Obligations and Pledged Net Participant Payments of Drinking Water Participants will be deposited into the Drinking Water Account of the Debt Service Fund and applied to pay debt service on the Drinking Water Portion, except as otherwise provided in the 2010 Master Trust Agreement to implement the cross-collateralization of the Clean Water SRF Leveraged Program and the Drinking Water SRF Leveraged Program. See “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS — Master Trust Administration**” herein.

Master Trust Agreements

2010 Master Trust Agreement. In conjunction with each loan made pursuant to the SRF Direct Loan Programs, each Participant issues a bond to DNR, evidencing such Participant’s obligation to repay such loan. The Authority and DNR have entered into the Pledge Agreement pursuant to which DNR has pledged the Repayments on certain direct loans to the Authority, and thereby designated such direct loans as Pledged Participant Obligations. See **Appendix A, Part 1 – “PLEGDED PARTICIPANT OBLIGATIONS.”**

Under the Pledge Agreement, DNR has granted, assigned and transferred to the Authority a security interest in all of its rights, title and interest in and to the Repayments on the Pledged Participant Obligations as security for the payment of the principal of, premium, if any, and interest on all 2010 Master Trust Bonds, including the Bonds, and any future 2010 Master Trust Bonds on a parity basis. DNR covenants under the Pledge Agreement to direct the paying agents for the Pledged Participant Obligations to transfer the Repayments on Pledged Participant Obligations to the 2010 Master Trustee for deposit to the Repayment Fund under the 2010 Master Trust Agreement no later than each Interest Payment Date. See **Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE 2010 MASTER TRUST AGREEMENT.”**

Further, the Authority and the 2010 Master Trustee have entered into the Authority Pledge Agreement, pursuant to which the Authority has granted, assigned and transferred to the 2010 Master Trustee a security interest in all of its rights, title and interest in and to the Pledged Net Participant Payments as security for the payment of the principal of, premium, if any, and interest on all 2010 Master Trust Bonds, including the Bonds and any future 2010 Master Trust Bonds. Under the Authority Pledge Agreement, the Authority has agreed to cause the Pledged Net Participant Payments to be transferred to the 2010 Master Trustee for deposit to the Repayment Fund under the 2010 Master Trust Agreement no later than each Interest Payment Date. See “**DEBT SERVICE SCHEDULE AND CASH FLOW SUFFICIENCY**” herein.

To effect the refunding of the Refunded Bonds, the Authority will enter into an Escrow Deposit Agreement dated as of November 1, 2013 (the “**Escrow Agreement**”), with UMB Bank N.A., St. Louis, Missouri, as escrow agent (the “**Escrow Agent**”). Pursuant to the Escrow Agreement, the Authority will deposit the net proceeds of the Bonds with the Escrow Agent in the Escrow Fund to purchase United States Treasury Obligations (the “**Escrowed Securities**”) and to fund a beginning cash deposit.

The principal amount of the Escrowed Securities, together with interest income thereon, will be payable at such times and in such amounts, together with the moneys held uninvested by the Escrow Agent, to pay, when and as due, all principal of, redemption premium, if any, and interest on the Refunded Bonds on any date on which any principal of, redemption premium, if any, or interest on any of the Refunded Bonds is due. The Escrow Agreement provides that the Escrowed Securities and the moneys held uninvested by the Escrow Agent are irrevocably pledged to the payment of such Refunded Bonds and the interest thereon and may be applied only to such payment.

SOURCES AND USES OF FUNDS

The following sets forth the expected sources and uses of funds relating to the issuance of the Bonds:

Sources of Funds

Par amount of Bonds	\$ 106,920,000.00*
Plus original issue premium	<u> </u>
Total	<u>\$ <u> </u></u>

Uses of Funds

Deposit to Escrow Fund for Refunded Bonds	\$
Costs of Issuance (including Underwriters’ discount)	<u> </u>
Total	<u>\$ <u> </u></u>

SECURITY AND SOURCES OF PAYMENT OF THE BONDS

The Indenture

Limited Obligations. The Bonds are limited obligations of the Authority payable solely from (1) the Indenture Receipts, consisting of revenues and receipts derived by the Authority from moneys transferred by the 2010 Master Trustee to the Trustee from amounts available under the 2010 Master Trust Agreement and (2) certain amounts pledged pursuant to the 2004 Master Trust Agreement. See “**SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS**” herein.

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State, any political subdivision thereof, the United States of America or any agency thereof, DNR, the Clean Water Commission or the Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

* Preliminary, subject to change.

THE REFUNDING PLAN

The Original Bonds

Each series of the Original Bonds, including the Refunded Bonds, was issued pursuant to the 2004 Master Trust Agreement and a bond indenture (individually, the **"Original Indenture"** and collectively, the **"Original Indentures"**) between the Authority and the bond trustee named therein (with respect to the Refunded Bonds, referred to herein individually as the **"Refunded Bonds Trustee"** and collectively, as the **"Refunded Bonds Trustees"**). The Refunded Bonds consist of the portions of the series of the Original Bonds as described more fully in **Appendix B – "Summary of the Refunded Bonds."** The portions of the Original Bonds that remained outstanding after the issuance of the Series 2011A Refunding Bonds and that will remain outstanding subsequent to the issuance of the Bonds are referred to herein as **"Remaining Original Bonds."**

At the time of issuance of each series of Original Bonds, each Participant issued bonds or delivered its promissory note or other repayment obligations to evidence its loan repayment obligation to the Authority in an aggregate principal amount and bearing interest at rates sufficient to pay the principal of, premium, if any, and interest on the Original Bonds when due. These Participant Obligations are subsidized by interest earnings on Reserve Accounts established in connection with the issuance of the Original Bonds (each a **"Reserve Account"** and collectively, the **"Reserve Accounts"**). These Participant Obligations will remain outstanding in their current amounts after the issuance of the Bonds, and each Participant will continue to be obligated to make payments on its Participant Obligations in accordance with the original schedule of principal and interest payments.

The debt service on the Remaining Original Bonds will be paid first from the earnings on the Reserve Accounts and second from payments on the Participant Obligations. The excess payments of principal and interest on Participant Obligations related to the Series 2011A Refunding Bonds and the Refunded Bonds after payment of the debt service on the Remaining Original Bonds are Pledged Net Participant Payments, which are pledged by the Authority to, and deposited by the 2011 Refunded Bonds Trustees and the Refunded Bonds Trustees with, the 2010 Master Trustee. The Pledged Net Participant Payments will be applied pursuant to the terms of the 2010 Master Trust Agreement and will be available to pay debt service on all 2010 Master Trust Bonds, including the Bonds, on a parity basis. See **"SECURITY AND SOURCES OF PAYMENT OF THE BONDS"** herein.

Because all interest earnings on the Reserve Accounts will be applied only to pay the debt service due on the Remaining Original Bonds, a significant portion of the payments on Participant Obligations are expected to be Pledged Net Participant Payments. Because the Bonds are being issued to provide refunding savings, upon the issuance of the Bonds, debt service payable on the aggregate of the Remaining Original Bonds and the Bonds will be less than debt service previously payable on the Original Bonds. See **"SECURITY AND SOURCES OF PAYMENT OF THE BONDS"** herein.

The Bonds are not secured by the Reserve Accounts established in connection with the Original Bonds. No reserve fund has been established under the Indenture to secure the Bonds.

Defeasance of the Refunded Bonds

The Authority will use the net proceeds of the Bonds to refund, defease and pay the principal of, redemption premium, if any, and interest on the Refunded Bonds in the principal amounts shown in **Appendix B.** The Refunded Bonds will be redeemed in accordance with the redemption provisions in each of the Original Indentures.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Redemption Price and Interest. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each principal maturity of the Bonds, each in the aggregate principal amount of such principal maturity of the Bonds, and will be deposited with the Trustee as DTC's Fast Agent.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

the date on which such Bonds shall have become due and payable shall be paid to the Authority; provided, however, that the Trustee, before making any such payment shall send a letter to the last known address for such Bondholders that said moneys have not been claimed and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Authority and thereafter the holders of such Bonds shall look only to the Authority for payment and then only to the extent of the amount so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys.

Mutilated, Lost, Stolen or Destroyed Bonds

If any Outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and series and of like tenor as the mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of the ownership thereof and of such loss, theft or destruction in form satisfactory to the Authority and the Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured or been called for redemption, instead of issuing a substitute Bond the Authority may authorize the payment of the same. The Authority and the Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under the provisions of this paragraph in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original contractual obligation on the part of the Authority, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of the Indenture together with all other Bonds in substitution for which such Bonds were issued.

Exchange and Transfer of Bonds

As long as any of the Bonds remain Outstanding, the exchange of Bonds shall be permitted at the principal payment office of the Trustee. Any Bond or Bonds, upon surrender thereof at the principal payment office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same series of any other Authorized Denominations.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Trustee shall deliver Bonds in accordance with the provisions of the Indenture. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

Book-Entry System

General. The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the “**Book-Entry System**”) maintained by The Depository Trust Company (“**DTC**”), New York, New York. The following information in this section concerning DTC and DTC’s Book-Entry System has been obtained from sources the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

maturities and in the principal amounts as shall be determined by the Authority. The Trustee shall select the Bonds, or portions thereof, to be redeemed from each maturity in such manner as it shall in its discretion determine.

Unless waived by any Bondholder of Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Bond Registrar on behalf of the Authority by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bondholder of the Bond or Bonds to be redeemed at the address shown on the Bond Register; provided, however, that failure to give such notice by mail as aforesaid to any Bondowner or any defect therein as to any particular Bond shall not affect the validity of any proceedings for the redemption of any other Bonds. All official notices of redemption shall be dated and shall state (1) the redemption date, (2) the redemption price, (3) the CUSIP number (provided, however, that such notice may contain a disclaimer as to the accuracy of such numbers), (4) if less than all Outstanding Bonds are to be redeemed, the identification and the respective principal amounts of the Bonds to be redeemed, (5) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal payment office of the Trustee.

In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the Authority as set out in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Trustee shall rescind such notice of the optional redemption of Bonds in accordance with the Indenture in the event moneys available solely for such optional redemption in accordance with the requirements of the Indenture and sufficient to pay the Bonds called for optional redemption and accrued interest thereon to the redemption date and the redemption premium, if any, shall not have been deposited with the Trustee by the close of business of the fifth Business Day next preceding such optional redemption date.

Upon the happening of the above conditions, and notice having been given as provided in the Indenture, the Bonds or the portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on the specified redemption date, provided moneys sufficient for the payment of the redemption price are on deposit at the place of payment at the time, and shall no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Non-Presentation of Bonds; Unclaimed Moneys

In the event any Bonds shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bonds shall be held by the Trustee for the benefit of the holder or holders thereof, all liability of the Authority to the holder or holders thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged and thereupon it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the holder or holders of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture or on, or with respect to, such Bonds. All moneys which the Trustee shall have withdrawn from the Debt Service Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds secured by the Indenture shall be held in trust for the respective holders of such Bonds, but any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the holders of such Bonds for a period of four years after

DESCRIPTION OF THE BONDS

General Description

The Bonds will be issued as fully registered bonds in the denominations of \$5,000 or any integral multiple of \$5,000 ("Authorized Denominations"). The Bonds will be dated the date of initial issuance and delivery of the Bonds (the "Bond Issuance Date"), will mature on the dates and in the principal amounts and will bear interest at the interest rates per annum set forth on the inside cover hereof. Each Bond shall bear interest from the Bond Issuance Date or from the most recent date to which interest has been paid or duly provided for, payable semiannually on each January 1 and July 1, commencing January 1, 2014 (each an "Interest Payment Date"). Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The principal of and redemption premium, if any, and interest on the Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and, except as otherwise provided in the Indenture, such principal and redemption premium, if any, shall be payable by check or draft at the principal payment office of the Trustee or at the office of any duly appointed alternate Paying Agent, upon presentation and surrender of such Bonds. Payment of the interest on any Bond shall be made to the person appearing on the Bond Register as the Bondholder thereof as of the commencement of business of the Trustee on the Record Date for such Interest Payment Date, and shall be paid by check or draft of the Trustee mailed to such Bondholder at such Bondholder's address as it appears on the Bond Register or at such other address as is furnished to the Trustee in writing by such Bondholder. Notwithstanding the foregoing, the principal of and redemption premium, if any, and interest on the Bonds is payable by electronic transfer in immediately available federal funds pursuant to instructions from any Bondholder of \$500,000 or more in aggregate principal amount of Bonds as of the commencement of business of the Trustee on the Record Date for a particular Interest Payment Date. Any such instructions for electronic transfer shall be in writing, signed by such Bondholder and given by such Bondholder to the Trustee not less than fifteen days prior to the applicable Record Date and shall include the name of the bank (which shall be in the continental United States), its address, its ABA routing number and the name, number and contact name related to such Bondholder's account at such bank to which the payment is to be credited and shall acknowledge that an electronic transfer fee is payable. Electronic transfers will be made to such electronic transfer address for which instructions were properly given irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date. Unless the Bonds are in book-entry form, no principal of or redemption premium, if any, on the Bonds is payable unless the Bondholder thereof shall have surrendered such Bonds at the principal payment office of the Trustee. All checks, drafts or, at the best efforts of the Trustee, electronic transfers for the payment of the principal of or redemption premium, if any, and interest on the Bonds shall include or have enclosed therewith the CUSIP number and appropriate payment amount for each CUSIP number. If the Authority shall default in payment of interest due on an Interest Payment Date, such defaulted interest shall be payable to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by the Trustee as Bond Registrar, which special record date shall not be less than ten (10) days preceding the date of payment of such defaulted interest.

Redemption; Notice of Redemption

The Bonds maturing on and after _____ 1, 20__, are subject to redemption in whole or in part on any date, at the option of the Authority, on and after _____ 1, 20__, at the redemption price of 100% of the principal amount redeemed, plus accrued interest thereon to the redemption date. Bonds to be redeemed pursuant to the optional redemption provisions above shall be selected from the

the issuance of its prior refunding bonds in 2001, 2004 and 2010 which partially refunded certain series of Original Bonds issued under the 2004 Master Trust Agreement. See **"THE REFUNDING PLAN"** and **"SECURITY AND SOURCES OF PAYMENT OF THE BONDS"** herein.

The Repayments on the Pledged Participant Obligations and Pledged Net Participant Payments are pledged as security for the payment of the principal of, premium, if any, and interest on the 2010 Master Trust Bonds, including the Bonds, and any future 2010 Master Trust Bonds on a parity basis. See **"SECURITY AND SOURCES OF PAYMENT OF THE BONDS"** herein.

The 2010 Master Trust Agreement contains conditions that must be satisfied for future series of bonds to be secured by the 2010 Master Trust Agreement. All future series of 2010 Master Trust Bonds will be secured by the 2010 Master Trust Agreement to the extent provided in the Authority's bond indenture authorizing such series of 2010 Master Trust Bonds. See **"SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS"** herein.

2004 Master Trust Agreement. The Bonds and all other 2010 Master Trust Bonds are further secured by certain amounts available under the 2004 Master Trust Agreement, consisting primarily of amounts released from participants' reserve accounts after payment of debt service on the applicable 2004 Master Trust Bonds. Likewise, Repayments on Pledged Participant Obligations and Pledged Net Participant Payments remaining after payment of debt service on the 2010 Master Trust Bonds are additional security for the 2004 Master Trust Bonds. See **"SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS – 2004 Master Trust Agreement"** herein.

Other Information

There follows in this Official Statement brief descriptions of the Bonds, certain of the Bond documents, the Programs and the Authority. **Appendix A** to this Official Statement is in three parts. Part 1 provides a list of all Pledged Participant Obligations. Part 2 includes information on the Material Master Trust Participants, as defined in **"CONTINUING DISCLOSURE"** herein. Part 3 is a listing of the aggregate loan amount for each participant (each a **"2004 Master Trust Participant"**) whose obligations (**"2004 Master Trust Participant Obligations"**) are secured by the 2004 Master Trust Agreement.

Appendix B contains a list of the Refunded Bonds. **Appendix C** contains a summary of the 2010 Master Trust Agreement. **Appendix D** contains a summary of certain provisions of the Indenture. Set forth in **Appendix E** is the proposed form of the opinion which is anticipated to be rendered by Bond Counsel at the time of delivery of the Bonds.

Such descriptions, information and summaries provided herein do not purport to be comprehensive or definitive. All references herein to any documents are qualified by the terms of such documents in their entirety. Until the issuance and delivery of the Bonds, copies of the documents described herein may be obtained from Merrill Lynch, Pierce, Fenner, & Smith Incorporated, as representative of the underwriters of the Bonds. After delivery of the Bonds, copies of the documents summarized in **Appendix C** and **Appendix D** will be available for inspection at the principal corporate trust office of the Trustee.

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To better meet the needs of DNR and the State Revolving Fund Program Participants resulting from the development of the SRF Direct Loan Programs, the Authority implemented a new Master Trust Agreement dated as of November 1, 2010, as amended by the First Amendment to Master Trust Agreement dated as of November 1, 2011 (collectively, the **"2010 Master Trust Agreement"**) between the Authority and UMB Bank, N.A., as Master Trustee (the **"2010 Master Trustee"**). The 2010 Master Trust Agreement provides flexibility for the issuance of future Program Bonds secured by excess loan repayments, reserve funds, or a combination of both, on a series by series basis. The Authority has issued two prior series of Program Bonds secured by the 2010 Master Trust Agreement: its \$65,920,000 Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2010B and its \$106,830,000 Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2011A (the **"Series 2011A Refunding Bonds"**). The Authority anticipates that all future series of Program Bonds will be issued under the 2010 Master Trust Agreement.

The Bonds will be the third series of Program Bonds to be secured by the 2010 Master Trust Agreement on a parity basis with all other 2010 Master Trust Bonds. All Program Bonds secured by the 2010 Master Trust Agreement, including the Bonds, are hereinafter referred to as **"2010 Master Trust Bonds."** Collectively, the 2004 Master Trust Agreement and the 2010 Master Trust Agreement are referred to herein as the **"Master Trust Agreements."** The Program Bonds, or designated portions of Program Bonds, at any time outstanding and secured by the Master Trust Agreements are referred to herein as **"Master Trust Bonds."** See **"SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS"** herein.

Security for the Bonds

Limited Obligations. The Bonds are limited obligations of the Authority payable solely from revenues and receipts derived by the Authority from (1) all moneys transferred by the 2010 Master Trustee to the Trustee from amounts available under the 2010 Master Trust Agreement (the **"Indenture Receipts"**) and (2) certain amounts pledged under the 2004 Master Trust Agreement. See **"SECURITY AND SOURCE OF PAYMENT OF THE BONDS"** and **"SECURITY PROVIDED BY THE MASTER TRUST AGREEMENTS"** herein.

The Bonds do not constitute or create an indebtedness, liability or moral obligation of the Participants, the State of Missouri (the **"State"**), any political subdivision thereof, the United States of America or any agency thereof, DNR, the Clean Water Commission or the Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. The Authority has no taxing power.

2010 Master Trust Agreement. Monies sent to the 2010 Master Trustee under the 2010 Master Trust Agreement and transferred by the 2010 Master Trustee to the Trustee as Indenture Receipts include (1) principal and interest payments (the **"Repayments"**) on loans made by DNR under the SRF Direct Loan Programs which loans have been pledged by DNR to the Authority (**"Pledged Participant Obligations"**) pursuant to a Master Pledge Agreement dated as of November 1, 2010, as amended by the First Amendment to Master Pledge Agreement dated as of November 1, 2011 (collectively, the **"Pledge Agreement"**) and (2) the principal and interest payments on Participant issued bonds or other repayment obligations received by the Authority from the bond trustees in connection with the Series 2011A Refunding Bonds (the **"2011A Refunded Bonds Trustees"**) and from the Refunded Bonds Trustees, as defined herein, after payment of the debt service on the Remaining Original Bonds, as defined herein (the **"Pledged Net Participant Payments"**), which have been pledged by the Authority to the 2010 Master Trustee pursuant to the Authority Master Pledge Agreement dated as of November 1, 2011 (the **"Authority Pledge Agreement"**), subject in all respects to pledges by the Authority in connection with

State Revolving Funds Programs

Direct Loan Programs. In cooperation with the Clean Water Commission of the State of Missouri (the “**Clean Water Commission**”) and the Safe Drinking Water Commission of the State of Missouri (the “**Drinking Water Commission**”), the Missouri Department of Natural Resources (“**DNR**”) has developed and implemented the State of Missouri Direct Loan Program to provide financial assistance to Missouri governmental entities to finance publicly owned wastewater treatment facilities (the “**Clean Water SRF Direct Loan Program**”) and to provide financial assistance to Missouri governmental entities and other eligible entities to finance publicly and privately owned drinking water treatment facilities (the “**Drinking Water SRF Direct Loan Program**”) and collectively with the Clean Water SRF Direct Loan Program, the “**SRF Direct Loan Programs**”).

Leveraged Loan Programs. The Federal Water Quality Act of 1987, which amended the Clean Water Act of 1972 (as amended, the “**Federal Clean Water Act**”), provides for the establishment of state loan programs, the funds of which are used to provide financial assistance to various instrumentalities of the state in connection with the construction of publicly owned systems for transportation, collection, storage, treatment, recycling and reclamation of municipal sewage and certain other water pollution control projects. By resolutions adopted in 1988, 1998 and 2009, the Authority agreed to cooperate with DNR to implement the program contemplated by the Federal Clean Water Act and issue its bonds in connection with the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the “**Clean Water SRF Leveraged Program**”) and collectively with the Clean Water SRF Direct Loan Program, the “**Clean Water SRF Program**”). For further information on the Clean Water SRF Program, see “**STATE REVOLVING FUNDS PROGRAMS**” herein.

The Federal Safe Drinking Water Amendments of 1996, which amended the Safe Drinking Water Act (as amended, the “**Federal Drinking Water Act**”), provides for the establishment of state loan programs, the funds of which are used to provide financial assistance to various community water systems (including for-profit companies) and nonprofit non-community water systems in connection with the construction of drinking water projects. By resolutions adopted in 1988, 1998 and 2009, the Authority agreed to cooperate with DNR to implement the program contemplated by the Federal Drinking Water Act, and issue its bonds in connection with the Missouri Leveraged State Drinking Water Revolving Fund Program (the “**Drinking Water SRF Leveraged Program**”) and collectively with the Drinking Water SRF Direct Loan Program, the “**Drinking Water SRF Program**”). The Clean Water SRF Program and the Drinking Water SRF Program are referred to herein collectively as the “**State Revolving Funds Programs**” or the “**Programs**”). For further information on the Programs, see “**STATE REVOLVING FUNDS PROGRAMS**” herein.

Program Bonds

All bonds issued by the Authority under the Programs are referred to herein as “**Program Bonds**.” Prior to the issuance of the Bonds, the Authority has issued \$2,298,922,661 of Program Bonds.

Prior to November 2010, each series of Program Bonds (the “**2004 Master Trust Bonds**”) was issued under a separate indenture secured by the trust estate created under the applicable indentures and further secured by the Amended and Restated Master Trust Agreement dated as of March 1, 2004, as amended by the First Amendment to Master Trust Agreement dated as of November 1, 2009, and the Second Amendment to Master Trust Agreement dated as of November 1, 2010 (collectively, the “**2004 Master Trust Agreement**”) between the Authority and UMB Bank, N.A., as master trustee (the “**2004 Master Trustee**”).

OFFICIAL STATEMENT

\$106,920,000*

**State Environmental Improvement and Energy
Resources Authority (State of Missouri)
Water Pollution Control and Drinking Water Refunding Revenue Bonds
(State Revolving Funds Programs)
Series 2013A**

INTRODUCTION

The following introductory information is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and appendices should be considered in its entirety. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The purpose of this Official Statement is to set forth certain information concerning (1) the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the **"Authority"**), and the \$106,920,000* principal amount of Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs), Series 2013A (the **"Bonds"**), to be issued by the Authority and (2) the source of repayment and security for the Bonds. See **"DESCRIPTION OF THE BONDS,"** and **"SECURITY AND SOURCE OF PAYMENT OF THE BONDS"** herein.

Authorization of and Purpose of the Bonds

The Authority is authorized pursuant to Sections 260.005 through 260.125, and Appendix B(1), of the Revised Statutes of Missouri, as amended (the **"Act"**), and the resolution adopted by the Authority on October __, 2013, to issue the Bonds under a Bond Indenture dated as of November 1, 2013 (the **"Indenture"**) by and between the Authority and UMB Bank, N.A., St. Louis, Missouri, as trustee and bond registrar (the **"Trustee"** and **"Bond Registrar"**). Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings listed in **Appendix C** to this Official Statement.

The Authority has issued certain series of bonds (the **"Original Bonds"**), the proceeds of which were loaned by the Authority to Missouri governmental entities and nonprofit corporations (each a **"Participant"** and collectively, the **"Participants"**) in connection with the financing of wastewater treatment and sanitary sewerage facilities (each a **"Clean Water Participant"** and collectively, the **"Clean Water Participants"**) and drinking water facilities (each a **"Drinking Water Participant"** and collectively, the **"Drinking Water Participants"**). The loans are evidenced by bonds, promissory notes or other repayment obligations of the Participant (the **"Participant Obligations"**). Portions of the Original Bonds will be refunded (the **"Refunded Bonds"** as further described in **Appendix B** to this Official Statement) with the net proceeds of the Bonds.

* Preliminary, subject to change.

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REGARDING USE OF THIS OFFICIAL STATEMENT

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTION CONTAINED IN SECTION 3(a)(2) OF SUCH ACT. THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT.

The information set forth herein has been obtained from the Authority and other sources which are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or any other person has been authorized by the Authority to give any information or make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor the sale of any of the Bonds hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority, the Programs or the other matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE AUTHORITY ON THE DATE HEREOF, AND THE AUTHORITY ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN THE EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION "CONTINUING DISCLOSURE."

State Environmental Improvement and Energy Resources Authority

William "Andy" Dalton, Chairman
Ryan Doyle, Vice Chairman
Deron L. Cherry, Treasurer
LaRee DeFreece, Secretary
Karen L. Massey, Director

Department of Natural Resources

Sara Parker Pauley, Director
Leanne Tippet-Mosby, Director – Division of Environmental Quality
John Madras, Director – Water Protection Program
Jim Macy, Director – Financial Assistance Center

Clean Water Commission

Ben A. "Todd" Parnell, Chair
Dennis Wood, Vice Chair
Buddy Bennett, Commissioner
John Cowherd, Commissioner
Samuel D. Leake, Commissioner
Ashley McCarty, Commissioner
Wallis Warren, Commissioner

Safe Drinking Water Commission

Elizabeth Grove, Chair
D. Scott Bockenkamp, Vice Chair
Susan McCray Armstrong, Commissioner
Susan E. Hazelwood, Commissioner
Charli Jo Ledgerwood, Commissioner
Bruce Manning, Commissioner
Rodger Owens, Commissioner
Curtis Skouby, Commissioner

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Agenda Item #4

**MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF NATURAL RESOURCES FOR
SERVICES RELATING TO CLEAN WATER FEES**

Issue:

The MDNR wants to engage the services of the Authority to provide assistance in the department's efforts to review and evaluate their clean water fee structure. The EIERA, through its broad statutory authority is able to provide support to the department to streamline some of the services required such as contracting and contract management (it is not anticipated that the Authority Staff would be performing the review or analysis themselves). We need a Memorandum of Understanding (MOU) or similar agreement with the MDNR to define the relationship.

Action Needed:

Authorize the Director, or her designee, to negotiate and enter into an MOU or similar agreement with the department to assist with the implementation of a review and analysis of the revenues and expenses relating to their clean water efforts.

Staff Recommendation:

Staff recommends that the Board authorize the Director, or her designee, to negotiate and enter into a Memorandum of Understanding, or similar agreement, with the MDNR to assist with the implementation of this project.

Staff Contact:

Karen Massey

Background:

During the 2013 Legislative Session, a bill was passed and signed into law that gave the Missouri Clean Water Commission the authority to establish clean water fees for permitting and other work performed by the MDNR. Previously, this authority was held by the General Assembly. The law allows the MDNR to perform a comprehensive review of the fee structure and requires that they make a recommendation, with stakeholder agreement, to the Clean Water Commission. Upon receiving the recommendation, the Commission then establishes a fee structure by administrative rule which is subject to legislative review. This process can be repeated every two years.

The MDNR would like to hire an outside entity to perform a review and analysis of the costs and revenues associated with their clean water efforts. This review and analysis would then be

presented to stakeholders during the summer of 2014 as part of the discussion on the next comprehensive review and recommendation to the Clean Water Commission.

It is likely that the MDNR will ask the EIERA for assistance in this process; however, they will not be asking the EIERA to perform the actual review and analysis. The assistance needed would involve help securing an outside entity to perform these services, contracting and management of the contract. We would be reimbursed out of pocket expenses, including fees paid to the entity conducting the review, and for our staff time, including an overhead allocation. The project is expected to take approximately 8 months.

Discussions with the MDNR regarding the scope of services to be provided have just started, so there is not yet an MOU or agreement to review. It should, however, be very straight forward and not deviate substantially from the recent MOU's (e.g. NRD) entered into with MDNR. Given the nature of the services to be provided, we are asking that you give the staff the ability to negotiate, draft and enter into an MOU or similar agreement to implement this project.

KLM:ge